

## **Bexil Corporation**

2255 Buffalo Road  
Rochester, NY 14624

---

212-785-0900  
www.Bexil.com  
[info@bexil.com](mailto:info@bexil.com)

# Quarterly Report

For the period ending 9/30/24 (the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

608,739 as of 9/30/24 (Current Reporting Period Date or More Recent Date)

708,739 as of 12/31/23 (Most Recent Completed Fiscal Year End)

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>4</sup> of the company has occurred during this reporting period:

Yes:  No:

---

<sup>4</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Bexil Corporation  
2255 Buffalo Road  
Rochester, NY 14624

Bull & Bear U.S. Government Securities Fund Inc. - Until 8/99

Current State and Date of Incorporation or Registration: Maryland; 08/30/1996

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

N/A

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

N/A

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

N/A

Address of the issuer's principal executive office:

2255 Buffalo Road  
Rochester, NY 14624

Address of the issuer's principal place of business:

*Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:  If Yes, provide additional details below:

\_\_\_\_\_

**2) Security Information**

**Transfer Agent**

Name: Securities Transfer Corporation

Phone: (469) 633-0101  
Email: [smith@stctransfer.com](mailto:smith@stctransfer.com)  
Address: 2901 N. Dallas Parkway, Suite 380, Plano, Texas 75093

**Publicly Quoted or Traded Securities:**

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:	<u>BXLC</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>08857 7101</u>	
Par or stated value:	<u>\$0.01</u>	
Total shares authorized:	<u>10,000,000</u>	as of date: <u>9/30/24</u>
Total shares outstanding:	<u>608,739</u>	as of date: <u>9/30/24</u>
Total number of shareholders of record:	<u>66</u>	as of date: <u>9/30/24</u>

*Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.*

N/A

**Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

*The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

Exact title and class of the security:	<u>N/A</u>
Par or stated value:	<u>N/A</u>
Total shares authorized:	<u>N/A</u>
Total shares outstanding:	<u>N/A</u>
Total number of shareholders of record:	<u>N/A</u>

*Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.*

N/A

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

1. For common equity, describe any dividend, voting and preemption rights.

Please see the company's charter and bylaws for a complete description of such rights to the extent applicable, which are available on the company's website at <https://www.bexil.com/governance/other-governance-info>.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

N/A

3. Describe any other material rights of common or preferred stockholders.

Please see the company's charter and bylaws for a complete description of such rights to the extent applicable, which are available on the company's website at <https://www.bexil.com/governance/other-governance-info>.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

The company's rights agreement expired on June 6, 2024.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance</u> : (as of Second Most Recent Fiscal Year End)			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>12/31/22</u> Common: <u>752,867</u> Preferred: <u>0</u>									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to.  ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>1/20/2023</u>	<u>Retired</u>	<u>42,702</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Cede &amp; Co (FAST)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>5/22/23</u>	<u>Retired</u>	<u>1,000</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Cede &amp; Co (FAST)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

<u>9/29/23</u>	<u>Retired</u>	<u>79</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Elaine M. Lynch TTEE</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>9/29/23</u>	<u>Retired</u>	<u>90</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Michelle Krause</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>9/29/23</u>	<u>Retired</u>	<u>97</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Genevieve Noren</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>9/29/23</u>	<u>Retired</u>	<u>16</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Lucille Johnson</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>9/29/23</u>	<u>Retired</u>	<u>144</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Cede &amp; Co (FAST)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>5/16/24</u>	<u>Retired</u>	<u>100,000</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Cede &amp; Co (FAST)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date <u>9/30/24</u>	Common: <u>608,739</u>								
Preferred: <u>0</u>									

**Example:** A company with a fiscal year end of December 31<sup>st</sup> 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No:  Yes:  (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

—	—	—	—	—	—	—	—
---	---	---	---	---	---	---	---

\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.

Use the space below to provide any additional details, including footnotes to the table above:

—

**4) Issuer’s Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer’s current operations. Ensure that these descriptions are updated on the Company’s Profile on [www.OTCMarkets.com](http://www.OTCMarkets.com).

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

The objective of Bexil Corporation, a holding company, is to increase book value per share over time for the benefit of its stockholders. The Company is primarily engaged through a wholly owned subsidiary, Bexil Advisers LLC, in investment management.

B. List any subsidiaries, parent company, or affiliated companies.

Subsidiaries: Bexil Advisers LLC, Bexil Securities LLC, Bexil American Mortgage Inc.

C. Describe the issuers’ principal products or services.

The Company is primarily engaged through a wholly owned subsidiary, Bexil Advisers LLC, in investment management.

**5) Issuer’s Facilities**

*The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.*

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The issuer’s principal place of business is located at 2255 Buffalo Road, Rochester, NY 14624. The issuer maintains, among other things, office equipment and certain records at this location.

**6) All Officers, Directors, and Control Persons of the Company**

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer’s securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

*The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.*

<b>Names of All Officers, Directors, and Control Persons</b>	<b>Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)</b>	<b>Residential Address (City / State Only)</b>	<b>Number of shares owned</b>	<b>Share type/class</b>	<b>Ownership Percentage of Class Outstanding</b>	<b>Names of control person(s) if a corporate entity</b>
<u>Thomas Winmill</u>	<u>Chairman, Chief Executive Officer, President, and Chief Legal Officer</u>	<u>Walpole, NH</u>	<u>324,058</u>	<u>Common</u>	<u>53.23%</u>	
<u>John Hitchcock</u>	<u>Director</u>	<u>New York, NY</u>	<u>0</u>	<u>N/A</u>	<u>N/A</u>	
<u>Philip Kadinsky-Cade</u>	<u>Director</u>	<u>Chicago, IL</u>	<u>300</u>	<u>Common</u>	<u>0.05%</u>	
<u>William Winmill</u>	<u>Director</u>	<u>New York, NY</u>	<u>11,871</u>	<u>Common</u>	<u>1.95%</u>	
<u>Woodworth Winmill</u>	<u>Director</u>	<u>Brooklyn, NY</u>	<u>139</u>	<u>Common</u>	<u>0.02%</u>	
<u>Thomas O'Malley</u>	<u>Chief Financial Officer, Chief Accounting Officer, and Treasurer</u>	<u>Garden City, NY</u>	<u>5,000</u>	<u>Common</u>	<u>0.82%</u>	
<u>Russell Kamerman, Esq.</u>	<u>Chief Compliance Officer, Secretary, and General Counsel</u>	<u>Brooklyn, NY</u>	<u>0</u>	<u>N/A</u>	<u>N/A</u>	
<u>Donald Klimoski II, Esq.</u>	<u>Assistant Chief Compliance Officer, Assistant Secretary, and Assistant General Counsel</u>	<u>Holmdel, NJ</u>	<u>0</u>	<u>Common</u>	<u>N/A</u>	

<u>Heidi Keating</u>	<u>Vice President</u>	<u>Brooklyn, NY</u>	<u>0</u>	<u>N/A</u>	<u>N/A</u>	
<u>Midas Securities Group, Inc.</u>	<u>Owner</u>	<u>Rochester, NY</u>	<u>129,320</u>	<u>Common</u>	<u>21.24%</u>	<u>Representative:</u> <u>Thomas Winmill</u>
<u>Louis Soulios</u>	<u>Vice President, Finance</u>	<u>Cranford, NJ</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://www.OTCIQ.com) to update your company profile.

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

N/A

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

N/A

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

N/A

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

N/A

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

N/A

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.



N/A

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A

### 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Dennis F. Connolly  
Firm: Godfrey & Kahn, S.C.  
Address 1: 833 East Michigan Street, Milwaukee, WI  
Address 2: Suite 1800  
Phone: 414.287.9258  
Email: dconnolly@gklaw.com

#### Accountant or Auditor

Name: Harry B. DeVerter  
Firm: Tait, Weller & Baker LLP  
Address 1: Two Liberty Place  
Address 2: 50 South 16<sup>th</sup> Street, Suite 2900, Philadelphia PA 19102-2529  
Phone: 215.979.8802  
Email: hdeverter@taitweller.com

#### Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### *All other means of Investor Communication:*

X (Twitter): \_\_\_\_\_  
Discord: \_\_\_\_\_  
LinkedIn \_\_\_\_\_  
Facebook: \_\_\_\_\_  
[Other ] \_\_\_\_\_

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**9) Disclosure & Financial Information**

A. This Disclosure Statement was prepared by (name of individual):

Name: **Russell Kamerman**  
Title: **General Counsel**  
Relationship to Issuer: **Officer**

B. The following financial statements were prepared in accordance with:

- IFRS
- U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: **Thomas O'Malley**  
Title: **CFO**  
Relationship to Issuer: **Officer**

Describe the qualifications of the person or persons who prepared the financial statements:<sup>5</sup> **Certified public accountant**

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

---

<sup>5</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

**Financial Statement Requirements:**

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

**10) Issuer Certification**

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Thomas Winmill certify that:

1. I have reviewed this Disclosure Statement for Bexil Corporation;
2. Based on my knowledge, this disclosure statement 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 period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/7/24 [Date]

/s/ Thomas Winmill [CEO's Signature]

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)

*Principal Financial Officer:*

I, Thomas O'Malley certify that:

1. I have reviewed this Disclosure Statement for Bexil Corporation;
2. Based on my knowledge, this disclosure statement 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 period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

11/7/24 [Date]

/s/ Thomas O'Malley [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

# **BEXIL CORPORATION**

## **Unaudited Quarterly Report**

**For the quarterly period ended September 30, 2024**

# BEXIL CORPORATION

## Contents

### **Consolidated Unaudited Financial Statements**

Consolidated Balance Sheets .....	2
Consolidated Statements of Income.....	3
Consolidated Statements of Comprehensive Income.....	4
Consolidated Statements of Changes in Equity .....	5
Consolidated Statements of Cash Flows .....	7
Notes to Consolidated Financial Statements .....	8

**BEXIL CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,081,408	\$ 6,215,374
Investments in securities	21,449,505	19,334,719
Accounts receivable	224,072	229,490
Dividends and interest receivable	791	902
Prepaid expenses	56,160	34,769
Deferred tax assets, net	2,162,045	2,457,817
Total assets	\$ 26,973,981	\$ 28,273,071
<b>Liabilities and equity</b>		
Accounts payable and accrued expenses	\$ 393,693	\$ 198,391
Securities loaned	253,111	—
Due to broker	—	1,000,372
Total liabilities	646,804	1,198,763
Commitments and contingencies		
<b>Equity</b>		
Bexil Corporation stockholders' equity		
Common stock, \$0.01 par value, 10,000,000 shares authorized, 606,392 shares issued and outstanding at September 30, 2024 and 9,900,000 shares authorized, 708,739 shares issued and outstanding at December 31, 2023	6,064	7,087
Series A participating preferred stock, \$0.01 par value, 0 shares authorized, issued and outstanding at September 30, 2024 and 100,000 shares authorized, 0 shares issued and outstanding at December 31, 2023	—	—
Additional paid in capital	6,354,044	10,365,913
Notes receivable for common stock issued	(575,971)	(665,793)
Retained earnings	20,721,919	17,545,228
Total Bexil Corporation stockholders' equity	26,506,056	27,252,435
Noncontrolling interests in subsidiary	(178,879)	(178,127)
Total equity	26,327,177	27,074,308
Total liabilities and equity	\$ 26,973,981	\$ 28,273,071

See notes to unaudited consolidated financial statements.

**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**

	<u>For the Three Months Ended September 30,</u>		<u>For the Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>				
Management and other fees	\$ 687,359	\$ 647,266	\$ 2,108,713	\$ 1,938,578
Total revenues	<u>687,359</u>	<u>647,266</u>	<u>2,108,713</u>	<u>1,938,578</u>
<b>Expenses</b>				
Compensation and benefits	344,996	323,684	1,106,957	1,012,137
General and administrative	16,652	111,093	69,202	331,768
Professional services	79,455	55,557	200,274	183,877
Total expenses	<u>441,103</u>	<u>490,334</u>	<u>1,376,433</u>	<u>1,527,782</u>
Net operating income	246,256	156,932	732,280	410,796
<b>Other income</b>				
Dividends and interest	413,767	433,384	1,289,344	1,254,493
Unrealized gain (loss) on investments in securities	839,877	(738,819)	1,429,843	(417,769)
Realized (loss) gain on investments in securities	(11,865)	—	20,270	(1,535)
Total other income (loss)	<u>1,241,779</u>	<u>(305,435)</u>	<u>2,739,457</u>	<u>835,189</u>
Income (loss) income before taxes	1,488,035	(148,503)	3,471,737	1,245,985
Income tax (benefit) expense	(264,003)	(180,099)	295,798	(17,824)
Net income	<u>1,752,038</u>	<u>31,596</u>	<u>3,175,939</u>	<u>1,263,809</u>
Net income (loss) attributable to noncontrolling interests	148	(386)	(752)	(1,197)
Net income attributable to Bexil Corporation stockholders	<u>\$ 1,751,890</u>	<u>\$ 31,982</u>	<u>\$ 3,176,691</u>	<u>\$ 1,265,006</u>
Net income per share				
Basic, attributable to Bexil Corporation stockholders	\$ 2.88	\$ 0.05	\$ 4.85	\$ 1.78
Diluted, attributable to Bexil Corporation stockholders	\$ 2.87	\$ 0.04	\$ 4.84	\$ 1.77
Weighted average shares outstanding				
Basic	608,254	709,160	655,292	711,702
Diluted	609,708	713,809	656,702	716,570

See notes to unaudited consolidated financial statements.



**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**

	<u>For the Three Months Ended September 30,</u>		<u>For the Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Net income before noncontrolling interests</b>	\$ 1,752,038	\$ 31,596	\$ 3,175,939	\$ 1,263,809
<b>Other comprehensive gain, net of tax</b>				
Unrealized gain on investment securities available-for-sale, net of tax	—	1,380	—	4,654
Other comprehensive gain, net of tax	—	1,380	—	4,654
Comprehensive income	1,752,038	32,976	3,175,939	1,268,463
Net income (loss) attributable to noncontrolling interests	148	(386)	(752)	(1,197)
Comprehensive income attributable to Bexil Corporation stockholders	<u>\$ 1,751,890</u>	<u>\$ 33,362</u>	<u>\$ 3,176,691</u>	<u>\$ 1,269,660</u>

See notes to unaudited consolidated financial statements.

**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(Unaudited)**

	Common Stock		Additional Paid in Capital	Notes	Retained Earnings	Non- controlling Interest	Total Equity
	Shares	Par Value		for Common Stock Issued			
Balance at December 31, 2023	708,739	\$ 7,087	\$ 10,365,913	\$ (665,793)	\$ 17,545,228	\$ (178,127)	\$ 27,074,308
Net income	—	—	—	—	1,682,504	(522)	1,681,982
Repayment of promissory notes	—	—	—	29,907	—	—	29,907
Balance at March 31, 2024	708,739	7,087	10,365,913	(635,886)	19,227,732	(178,649)	28,786,197
Net loss	—	—	—	—	(257,703)	(378)	(258,081)
Common stock repurchases	(100,000)	(1,000)	(3,883,720)	—	—	—	(3,884,720)
Excise tax on common stock repurchases	—	—	(38,094)	—	—	—	(38,094)
Repayment of promissory notes	—	—	—	29,941	—	—	29,941
Balance at June 30, 2024	608,739	6,087	6,444,099	(605,945)	18,970,029	(179,027)	24,635,243
Net income	—	—	—	—	1,751,890	148	1,752,038
Common stock repurchases	(2,347)	(23)	(89,163)	—	—	—	(89,186)
Excise tax on common stock repurchases	—	—	(892)	—	—	—	(892)
Repayment of promissory notes	—	—	—	29,974	—	—	29,974
Balance at September 30, 2024	606,392	\$ 6,064	\$ 6,354,044	\$ (575,971)	\$ 20,721,919	\$ (178,879)	\$ 26,327,177

See notes to unaudited consolidated financial statements.

**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(Unaudited)**

	Common Stock		Additional Paid in Capital	Notes Receivable for Common Stock Issued	Accumulated Other Comprehensive Loss	Retained Earnings	Non- controlling Interest	Total Equity
	Shares	Par Value						
Balance at December 31, 2022	752,867	\$ 7,529	\$ 11,861,927	\$ (785,086)	\$ (4,654)	\$ 14,394,262	\$ (176,569)	\$ 25,297,409
Net income	—	—	—	—	—	692,358	(460)	691,898
Unrealized gain on investment securities available for sale	—	—	—	—	3,929	—	—	3,929
Common stock repurchases	(42,702)	(427)	(1,398,063)	—	—	—	—	(1,398,490)
Repayment of promissory notes	—	—	—	29,773	—	—	—	29,773
Balance at March 31, 2023	710,165	7,102	10,463,864	(755,313)	(725)	15,086,620	(177,029)	24,624,519
Net income	—	—	—	—	—	540,666	(351)	540,315
Unrealized loss on investment securities available for sale	—	—	—	—	(655)	—	—	(655)
Common stock repurchases	(1,000)	(10)	(32,380)	—	—	—	—	(32,390)
Repayment of promissory notes	—	—	—	29,806	—	—	—	29,806
Balance at June 30, 2023	709,165	7,092	10,431,484	(725,507)	(1,380)	15,627,286	(177,380)	25,161,595
Net income	—	—	—	—	—	31,982	(386)	31,596
Unrealized loss on investment securities available for sale	—	—	—	—	1,380	—	—	1,380
Common stock repurchases	(426)	(5)	(13,841)	—	—	—	—	(13,846)
Excise tax on common stock repurchases	—	—	(14,447)	—	—	—	—	(14,447)
Repayment of promissory notes	—	—	—	29,840	—	—	—	29,840
Balance at September 30, 2023	708,739	\$ 7,087	\$ 10,403,196	\$ (695,667)	—	\$ 15,659,268	\$ (177,766)	\$ 25,196,118

See notes to unaudited consolidated financial statements.

**BEXIL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	For the Nine Months Ended September 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net income	\$ 3,175,939	\$ 1,263,809
Adjustments to reconcile net income to net cash provided by operating activities		
Unrealized (gain) loss on investment securities	(1,429,843)	417,769
Purchase of investment securities, trading	(885,005)	(938,282)
Proceeds from sale of investment securities, trading	220,332	—
Realized (gain) loss on investments in securities	(20,270)	1,535
Amortization	—	270,312
Accretion of discount	—	(44,349)
Changes in operating assets and liabilities:		
Accounts receivable	5,418	(11,584)
Dividends and interest receivable	111	—
Prepaid expenses	(21,391)	46,657
Deferred tax assets	295,772	(105,713)
Due to broker	(1,000,372)	—
Accounts payable and accrued expenses	195,302	139,235
Securities loaned	253,111	—
Net cash provided by operating activities	<u>789,104</u>	<u>1,039,389</u>
<b>Cash flows from investing activities</b>		
Purchase of investment securities, available-for-sale	—	(2,277,495)
Proceeds on maturities of investment securities, available-for-sale	—	5,590,352
Net cash provided by investing activities	<u>—</u>	<u>3,312,857</u>
<b>Cash flows from financing activities</b>		
Repayments on notes receivable for common stock issued	89,822	89,419
Common stock repurchases	(4,012,892)	(1,459,173)
Net cash used in financing activities	<u>(3,923,070)</u>	<u>(1,369,754)</u>
Net (decrease) increase in cash and cash equivalents	(3,133,966)	2,982,492
Cash and cash equivalents, beginning of period	6,215,374	2,554,234
Cash and cash equivalents, end of period	<u>\$ 3,081,408</u>	<u>\$ 5,536,726</u>

See notes to unaudited consolidated financial statements.

**BEXIL CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

## **1. THE COMPANY**

Bexil Corporation (“Bexil” and together with its subsidiaries, the “Company”), incorporated in Maryland in 1996, is primarily engaged in investment management with an objective to increase book value per share over time for the benefit of its stockholders.

The following are the Company’s operating subsidiaries, all of which are wholly owned except where indicated:

Bexil Advisers LLC (“Bexil Advisers”) is a Maryland limited liability company and is a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Pursuant to an investment management agreement (“IMA”), Bexil Advisers serves as the investment manager of Bexil Investment Trust (“BXSJ”), a registered closed end investment company whose shares are quoted over the counter under the stock symbol BXSJ (Net Asset Value Symbol XBXS).

Bexil Securities LLC (“Bexil Securities”) is a Maryland limited liability company.

Bexil American Mortgage Inc. (“Bexil American”) is a Delaware corporation 92% owned by Bexil. Bexil American deals with its discontinued mortgage business by negotiating and settling claims by and against the corporation, paying and collecting payables and receivables, maintaining records, and responding to regulatory, legal, customer, or other inquiries for information, as applicable. Bexil American also is engaged in developing and monetizing its intellectual property, including domain names and registered service marks.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Presentation**

The accompanying unaudited interim consolidated financial statements include the financial position, results of operations, and cash flows of the Company and its wholly and majority owned subsidiaries in which the Company has controlling financial interests. The unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All material intercompany balances and transactions have been eliminated in consolidation.

The third party holdings of equity interests in the Company’s consolidated subsidiary that is less than wholly owned are presented as non-controlling interests in subsidiary in the consolidated financial statements. The portion of net income (loss) attributable to the non-controlling interests for such subsidiary is presented as net income (loss) attributable to non-controlling interests in subsidiary in the Consolidated Statements of Comprehensive Income, and the portion of total equity of such subsidiary is presented as non-controlling interests in subsidiary in the Consolidated Balance Sheets and Consolidated Statements of Changes in Equity.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of highly liquid investments purchased with an original maturity of three months or less and may include, among other things, money market fund shares. The carrying amount reported on the balance sheets for cash and cash equivalents approximates fair value.

### **Earnings Per Share**

Basic earnings per share attributable to Bexil stockholders is calculated by dividing net gain or loss attributable to Bexil stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share attributable to Bexil stockholders is calculated by dividing net gain or loss attributable to Bexil stockholders 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.

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. No shares of common stock from outstanding stock option awards were excluded from the computation of diluted net income per common share attributable to Bexil stockholders for the three and nine months ended September 30, 2024 and 2023, respectively.

The following table sets forth the computation of basic and diluted earnings per share:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income attributable to Bexil stockholders	\$ 1,751,890	\$ 31,982	\$ 3,176,691	\$ 1,265,006
Weighted average shares outstanding:				
Average number of common shares outstanding - basic	608,254	709,160	655,292	711,702
Shares related to dilutive stock options	1,454	4,649	1,410	4,868
Average number of common shares outstanding - diluted	609,708	713,809	656,702	716,570
Net income per share				
Basic	\$ 2.88	\$ 0.05	\$ 4.85	\$ 1.78
Diluted	\$ 2.87	\$ 0.04	\$ 4.84	\$ 1.77

### 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 (2020 – 2023) or expected to be taken in the Company's 2024 tax returns.

### Investments in Securities

Investments in equity and debt securities that have readily determinable fair values are accounted for as either trading or available-for-sale. Trading securities are typically bought and held principally for the purpose of selling them in the near term. Purchases and sales of trading securities are classified as operating activities on the Consolidated Statements of Cash Flows based on the nature and purpose for which the securities were acquired. Available-for-sale securities are all other investments in equity and debt securities not accounted for as trading. Trading and available-for-sale securities are measured at fair value. Gains or losses from changes in the fair value of trading securities and available-for-sale equity securities are included in income, and gains or losses from changes in the fair value of available-for-sale debt securities are recorded in accumulated other comprehensive income, net of tax, until the investment is sold or otherwise disposed of, or until the investment is determined to be other-than-temporarily impaired, at which time the cumulative gain or loss previously reported in equity is included in income. The specific identification method is used to determine the realized gain or loss on investments sold or otherwise disposed.

Fair value is determined using a valuation hierarchy generally by reference to an active trading market, using quoted closing or bid prices. Judgment is used to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive.

The Company periodically evaluates the carrying value of investment in securities for impairment. The Company considers, among other factors, the duration and extent of any decline in fair value, the intent and ability of the Company to hold the security for a period of time sufficient for a recovery in value, and recent events specific to the issuer or industry. If the decline in value is determined to be other-than-temporary, the carrying value of the security is written down to fair value through the income statement.

### Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. The costs of additions are capitalized and expenditures for repairs and maintenance are charged to operations as incurred. Depreciation and amortization is calculated using the straight-line method over the estimated useful life of the asset of 3-7 years for office equipment.

## Regulation

Bexil Advisers is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser under the Advisers Act.

## Revenue Recognition

The Company recognizes revenue from management and other fees consisting of payments for investment management and administrative services performed by Bexil Advisers pursuant to the IMA with BXSX. Under the terms of the IMA, BXSX pays Bexil Advisers a fee monthly for investment management services based on a percentage of assets under management and reimburses it monthly for providing at cost certain administrative services (including, but not limited to, compliance and accounting services). Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for services provided in the normal course of business. Revenue is generally accrued over the period for which the service is provided.

## Securities Loaned

Securities loaned are collateralized financing arrangements that are recorded at the amount of cash collateral received. The Company receives cash collateral that typically exceeds the market value of securities loaned. The Company earns interest income on the cash collateral balance. The cash collateral may constitute the only source of satisfaction in the event that the counterparty cannot return the securities. As of September 30, 2024, the value of loaned securities was \$247,810 and the related cash collateral outstanding was \$253,111.

## Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Actual results could materially differ from management’s estimates.

## 3. INVESTMENTS IN SECURITIES

Investments in securities consisted of the following:

September 30, 2024	Cost Basis	Gross Unrealized		Value
		Gains	Losses	
Investment securities, trading				
Closed end funds	\$ 19,860,283	\$ 1,535,528	\$ (964,555)	\$ 20,431,256
Equity securities	933,433	160,808	(78,218)	1,016,023
Exchange traded funds	2,051	175	—	2,226
Total investment in securities	<u>\$ 20,795,767</u>	<u>\$ 1,696,511</u>	<u>\$ (1,042,773)</u>	<u>\$ 21,449,505</u>

  

December 31, 2023	Cost Basis	Gross Unrealized		Value
		Gains	Losses	
Investment securities, trading				
Closed end funds	\$ 19,107,335	\$ 735,101	\$ (1,507,465)	\$ 18,334,971
Equity securities	1,003,490	587	(4,329)	999,748
Total investment in securities	<u>\$ 20,110,825</u>	<u>\$ 735,688</u>	<u>\$ (1,511,794)</u>	<u>\$ 19,334,719</u>

## 4. FAIR VALUE MEASUREMENTS

The use of estimated fair value to measure the financial instruments held by the Company is fundamental to its consolidated financial statements and is a critical accounting estimate because a substantial portion of its assets and liabilities are recorded at estimated fair value. The application of fair value measurements may be on a recurring or nonrecurring basis depending on the accounting principles applicable to the specific asset or liability or whether management has elected to carry the item at its estimated fair value.

The hierarchy of valuation techniques is based on whether the inputs to those techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company’s market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 — Quoted prices in active markets for identical instruments or liabilities.

Level 2 — Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants would use in pricing an asset or liability and are developed based on market data obtained from sources independent of the Company. These may include quoted prices for similar assets and liabilities, interest rates, prepayment speeds, credit risk, and market-corroborated inputs.

Level 3 — Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or unreliable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Company’s own assumptions about the factors that market participants use in pricing an asset or liability and are based on the information available in the circumstances.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when estimating fair value. The valuation method used to estimate fair value may produce a fair value measurement that may not be indicative of ultimate realizable value. Furthermore, while management believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methods or assumptions to estimate the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available and reliable market for such loans or investments existed, or had such loans or investments been liquidated, and those differences could be material to the financial statements.

*Investments in securities.* Investments in securities consist of shares of closed end funds, exchange traded funds, and general equities securities. The value of the closed end funds, exchange traded funds, and general equities securities is based on a traded market price and is considered to be a level 1 measurement.

The following table presents the assets and liabilities carried at fair value measured on a recurring basis:

September 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
Investment in securities				
Closed end funds	\$ 20,431,256	\$ —	\$ —	\$ 20,431,256
Equity securities	1,016,023	—	—	1,016,023
Exchange traded funds	2,226	—	—	2,226
Total assets at fair value	\$ 21,449,505	\$ —	\$ —	\$ 21,449,505
December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Investment in securities				
Closed end funds	\$ 18,334,971	\$ —	\$ —	\$ 18,334,971
Equity securities	999,748	—	—	999,748
Total assets at fair value	\$ 19,334,719	\$ —	\$ —	\$ 19,334,719

## 5. STOCK OPTIONS

The Company has a long term stock incentive plan intended to facilitate the use of equity based incentives and rewards for officers, employees, directors, and consultants of the Company and its affiliates. On August 6, 2014 (“Effective Date”), the stockholders of the Company approved the 2014 Stock Incentive Plan (the “2014 Plan”). Awards under the 2014 Plan may include incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, deferred stock, and other stock-based awards. The Board of Directors of the Company (the “Board”) determines the terms and conditions of awards under the 2014 Plan. 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. The total number of shares of common stock reserved and available for issuance under the 2014 Plan shall be (i) 15% of the number of outstanding shares of Bexil common stock as of the Effective Date, plus (ii) 15% of the number of shares of common stock issued or delivered by the Company during the term of the 2014 Plan (other than pursuant to the 2014 Plan, or other benefit plans of the Company); provided, however, that the total number of shares of common stock with respect to which incentive stock options may be granted shall in no event exceed 15% of the total number of authorized shares of Company common stock as of the Effective Date. As of the Effective Date, the number of outstanding common shares was 982,245 and the total number of authorized shares of the Company common stock was 9,900,000.



As of September 30, 2024, all of the Company's stock options outstanding were vested and there was no unrecognized compensation expense. As of September 30, 2024, the aggregate intrinsic value of outstanding options was \$54,160. There were no options granted by the Company for the nine months ended September 30, 2024 and year ended December 31, 2023, respectively.

A summary of the stock options activity for the nine months ended September 30, 2024 is as follows:

	<u>Shares Under Option</u>	<u>Weighted Average Exercise Price</u>
Balance, December 31, 2022	7,000	\$ 9.59
Exercised	<u>(2,000)</u>	\$ 10.17
Balance, December 31, 2023	5,000	\$ 9.35
Exercised	<u>(3,000)</u>	\$ 8.81
Balance, September 30, 2024	<u>2,000</u>	\$ 10.17

Stock options outstanding and exercisable as of September 30, 2024 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>
\$8.24 - \$12.10	2,000	2.2	2,000	\$10.17

The exercise of stock options may result in a tax deduction before the actual realization of the related tax benefit because in a year in which the Company has a current year net operating loss the tax benefit and credit to additional paid in capital for the excess deduction will not be recognized until that deduction reduces taxes payable.

## 6. INCOME TAXES

The Company had an effective tax rate of 8.5% and -1.4% for the nine months ended September 30, 2024 and 2023, respectively.

Deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets and liabilities to the amount expected to be realized. The Company has evaluated the available evidence supporting the realization of its gross deferred tax assets and liabilities, including the amount and timing of future taxable income, and has determined that, based on net losses to date, it may not utilize all of its deferred tax assets in the future. The valuation allowance was \$135,663 and \$615,078 as of September 30, 2024 and December 31, 2023, respectively.

As of December 31, 2023, the Company has federal net operating loss carryovers of approximately \$11.7 million which will not expire but are subject to the amount available for use each year.

The utilization of net operating loss carryovers may be subject to limitations under the provision of Section 382 of the Internal Revenue Code of 1986, as amended (the "Code") and similar state provisions.

ASC 740-10, Accounting for Uncertain Tax Positions, requires that the Company recognize the impact of tax positions in the financial statements if the position is more likely than not to be sustained upon examination and on the technical merits of the position. The Company's policy is to recognize interest accrued related to unrecognized tax benefits and penalties as income tax expense. The Company has no material uncertain tax positions at both September 30, 2024 and December 31, 2023. Consequently, no interest or penalties have been accrued by the Company.

The Company is subject to taxation in the U.S. and various state jurisdictions. The Company is no longer subject to federal examination for years before 2020.

## 7. CAPITAL STOCK

As of September 30, 2024, the Company is authorized to issue 10,000,000 shares of \$0.01 par value per share of common stock of which 606,392 are issued and outstanding. On August 16, 2024, the Board authorized the reclassification of 100,000 unissued shares of Series A participating preferred stock, \$0.01 par value per share of the Company, into 100,000 shares of common stock, \$0.01 par value per share, of the Company.

On September 11, 2024, the Company entered into an agreement to purchase 2,347 shares of common stock from a shareholder at \$38.00 per share for a total cost of \$89,186 and the purchase was settled on October 4, 2024. The consolidated balance sheet as of September 30, 2024 reflects the cost in accounts payable and accrued expenses and the shares as unissued.

## 8. RELATED PARTIES

Certain officers of the Company also serve as officers and/or directors of Winmill & Co. Incorporated (“Winco”), Tuxis Corporation (“Tuxis”), Global Self Storage, Inc. (“SELF”), and their affiliates (collectively with Bexil, the “Affiliates”). As of September 30, 2024, Winco owned approximately 21%, 19%, and 1%, respectively, of the outstanding common stock of the Company, Tuxis, and SELF.

Pursuant to an arrangement between a professional employer organization (“PEO”) and the Affiliates, the PEO provides payroll, benefits, compliance, and related services for employees of the Affiliates in accordance with applicable rules and regulations of the Internal Revenue Service, and in connection therewith Midas Management Corporation (“MMC”), a subsidiary of Winco, acts as a conduit payer of compensation and benefits to Affiliate employees including those who are concurrently employed. Expenses for various concurrently used administrative and support functions incurred by the Affiliates are allocated at cost among them. The aggregate administrative and support function expenses accrued and paid by the Company to Winco was \$9,757 and \$7,005 for the three months ended September 30, 2024 and 2023, respectively, and \$25,281 and \$21,259 for the nine months ended September 30, 2024 and 2023, respectively. As of September 30, 2024 and December 31, 2023, the Company had a payable of \$7,795 and \$17,027, respectively, to MMC and Winco, respectively, for reimbursements of compensation, benefits, and administrative support function expenses.

The Company leases office space from SELF under a rental agreement. The terms of occupancy are month to month and automatically renew unless terminated by either party. The Company incurred rental expense of \$300 and \$300 for the three months ended September 30, 2024 and 2023, respectively, and \$900 and \$900 for the nine months ended September 30, 2024 and 2023, respectively.

The Company owns approximately 12% of the shares of BXSX with a carrying value of \$20,240,029 and \$18,141,049 as of September 30, 2024 and December 31, 2023, respectively, and earned dividends of \$380,160 and \$372,659 for the three months ended September 30, 2024 and 2023, respectively, and \$1,125,479 and \$987,390 for the nine months ended September 30, 2024 and 2023, respectively. The Company had a receivable from BXSX for management fees and other fees of \$224,064 and \$229,486 as of September 30, 2024 and December 31, 2023, respectively. Certain officers and directors of the Company are also officers and/or trustees of BXSX.

The Company has accepted promissory notes from directors, officers, and employees in connection with their exercise of stock options to purchase the common stock of the Company. The notes have original maturities of nine years and bear interest at 0.45% per annum payable semiannually and mature in 2029. 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. The outstanding principal balance was \$575,971 and \$665,793, as of September 30, 2024 and December 31, 2023, respectively. The Company earned interest income on the notes of \$668 and \$802 for the three months ended September 30, 2024 and 2023, respectively, and \$2,104 and \$2,909 for the nine months ended September 30, 2024 and 2023, respectively.

As of September 30, 2024, the Company owned approximately 92% of Bexil American’s outstanding stock which includes common and Series A preferred stock. The preferred stock is convertible participating preferred stock that includes: a dividend, if any, equal to the dividend payable for an equivalent number of shares of common stock; a liquidation price and preference equal to the purchase price of the preferred stock, or the purchase price of common stock converted to such preferred stock, and all accrued but unpaid dividends; voting rights equal to the voting rights of common stock; the option of the holder to convert each share to a share of common stock at any time; and, full ratchet anti-dilution protection, subject to certain customary exclusions.

## 9. EMPLOYEE BENEFIT PLAN

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 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 Code. The Company’s

matching expense under the plan was \$6,737 and \$6,374 for the three months ended September 30, 2024 and 2023, respectively, and \$41,398 and \$37,221 for the nine months ended September 30, 2024 and 2023, respectively.

## 10. STOCKHOLDER RIGHTS PLAN; 382 TRANSFER RESTRICTIONS

### *Stockholder Rights Plan*

The Board adopted a stockholder rights plan pursuant to a Rights Agreement dated November 10, 2005 (the “Rights Agreement”) and other action. To implement the rights plan, the Board declared a dividend distribution of one right for each outstanding share of Bexil common stock, par value \$0.01 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 \$0.01 per share. The rights were distributed as a non-taxable dividend. 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 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 11, 2011, in consideration of a Standstill Agreement providing, among other things, that the Boulderado Group (as defined in the Standstill Agreement) does not acquire equal to or greater than 15.0% of the common stock of the Company, the Company entered into a First Amendment to the Rights Agreement (the “Amendment”) to exclude the Boulderado Group (as defined in the Amendment) from being deemed an “Acquiring Person” as defined in the Rights Agreement and to extend the “Final Expiration Date” of the Rights Agreement from November 21, 2016 until November 21, 2021. The parties entered into a First Amendment to the Standstill Agreement, dated as of June 1, 2012, to increase the allowed ownership percentage of the Boulderado Group from not equal to or greater than 15.0% to not equal to or greater than 16.0% of the common stock of the Company and to a Second Amendment to the Rights Agreement, dated as of June 1, 2012, to increase the beneficial ownership threshold of the Boulderado Group, without being deemed to be an “Acquiring Person”, from less than 15% to less than 16% of the Common Shares and to exclude certain parties from being deemed an “Acquiring Person.”

In consideration of an August 15, 2014 agreement with Mr. Kelly Cardwell and Central Square Management LLC (collectively the “Central Parties”) that the Central Parties and their affiliates (“Central Group”) do not acquire any more of the issued and outstanding common stock of the Company, sell sufficient shares of common stock over the 12 month period (amended on July 16, 2016 to 15 months and providing for an option to Bexil to purchase such sufficient shares by generally such time at the volume weighted average sales price for the 20 business day period prior to November 1, 2016) commencing on the date thereof so that the Central Group owns beneficially less than the lesser of 98,000 shares or 10.0% of the common stock, and other conditions, on August 15, 2014 the Company entered into a Third Amendment to the Rights Agreement which excluded the Central Group from being deemed an “Acquiring Person” and extended the “Final Expiration Date” of the Rights Agreement from November 21, 2021 until November 21, 2025.

On June 6, 2024, the Board adopted an amendment to the Rights Agreement which advanced the “Final Expiration Date” of the Rights Agreement to June 6, 2024 and effectively terminated the Rights Agreement.

In conjunction with the termination of the Rights Agreement, the Board authorized the reclassification of 100,000 unissued shares of Series A participating preferred stock, \$0.01 par value per share of the Company, into 100,000 shares of common stock, \$0.01 par value per share, of the Company.

### *382 Transfer Restrictions*

At the 2018 Annual Meeting of Stockholders of the Company held on June 13, 2018 stockholders voted to approve an amendment to the Company’s charter to add a new Article XV which generally prohibits any direct or indirect transfer of shares of stock of the Company, if as a result of such transfer, any person or group becomes a “5% shareholder” (as defined in the Code) or the percentage of stock of the Company owned by a 5% shareholder would be increased (the “382 Charter Amendment”). As a result of these restrictions, certain transfers of stock by existing 5% shareholders are prohibited. Any attempted transfer in violation of the foregoing restrictions is null and void unless the transferor or transferee obtains the written approval of the Board. No employee or agent of the Company will record any purported transfer to the extent that such transfer is prohibited by the 382 Charter Amendment, and the purported transferee

will not be entitled to any rights of stockholders of the Company with respect to the stock that is the subject of the prohibited transfer, including the right to vote such stock and to receive dividends or distributions, whether liquidating or otherwise, in respect of such stock.

## **11. RISKS AND UNCERTAINTIES**

### *General Market Risks*

The Company's portfolio and the success of its investment activities are affected by global and national economic, political and market conditions generally and also by the local economic conditions where its assets are located. U.S. and international markets have experienced volatility in recent months and years due to various economic, political and global macro factors, including rising inflation and wars between Russia and Ukraine and in the Middle East. Uncertainties regarding the level of central banks' interest rate increases, political events, the Russia-Ukraine conflict and the Israel-Hamas conflict, trade tensions and the possibility of a national or global recession have also contributed to market volatility. The full impact of such external events on the financial and credit markets and consequently on the Company's financial conditions and results of operations is uncertain and cannot be predicted. The Company seeks to monitor these events and adjust its operations it deems appropriate.

### *Credit Risk*

The Company maintains cash and cash equivalents in accounts with various financial institutions, and at times, account balances may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

## **12. COMMITMENTS AND CONTINGENCIES**

The Company enters into contracts that contain a variety of representations and warranties and which may provide general indemnifications. Additionally, the Company may be threatened with or engaged in litigation from time to time. The Company's maximum exposure under the foregoing is unknown as it involves future claims that may be made against the Company under circumstances that have not occurred.