

LICT CORPORATION  
401 Theodore Fremd Avenue  
Rye, New York 10580

(914) 921 – 8821

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD JUNE 3, 2010**

April 30, 2010

To Stockholders of LICT Corporation:

NOTICE IS HEREBY GIVEN to the holders of common stock, par value \$0.01 per share (the “Common Stock”), of LICT Corporation (the “Corporation,” formerly Lynch Interactive Corporation), a Delaware corporation, that an Annual Meeting of Stockholders (the “Annual Meeting”) of the Corporation will be held at the Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830, on June 3, 2010, at 8:30 a.m. Eastern time, for the following purposes:

1. To elect six members of the Board of Directors to serve until the next Annual Meeting and until their successors are duly elected and qualify; and
2. To transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Information relating to the above matters is set forth in the enclosed proxy statement. The Board of Directors and management of the Corporation are not aware of any other matters that will come before the Annual Meeting. As determined by the Board of Directors, only stockholders of record at the close of business on April 21, 2010 are entitled to receive notice of, and to vote at, the Annual Meeting and any adjournments thereof.

**The Board of Directors encourages all stockholders to personally attend the Annual Meeting. Your vote is very important regardless of the number of shares you own. Whether or not you expect to attend the Annual Meeting, you are requested to promptly date, complete, sign and return the enclosed proxy card in the enclosed accompanying postage-paid envelope in order that your shares of our Common Stock may be represented. Your cooperation is greatly appreciated.**

By Order of the Board of Directors,

Thomas J. Hearity  
Corporate Secretary

**LICT CORPORATION**

**401 Theodore Fremd Avenue  
Rye, New York 10580  
(914) 921-8821**

**PROXY STATEMENT**

**PROXIES AND VOTING PROCEDURES**

Only stockholders of record of LICT Corporation (“LICT” or the “Corporation”) at the close of business on April 21, 2010, the record date, are entitled to notice of, and to vote at, the Annual Meeting of our stockholders. This proxy statement and accompanying form of proxy are being sent to our stockholders on or about April 30, 2010. As of the close of business on April 21, 2009 there were 24,290.37 shares of our Common Stock outstanding. Each share of our Common Stock, or fraction thereof, is entitled to one vote, or fraction thereof, on each matter submitted to our stockholders. Where a specific instruction is given in the proxy, the proxy will be voted in accordance with such instruction. If no such instruction is given in the proxy returned to us, the proxy will be voted FOR the nominees to the Board of Directors named below, and in the discretion of the proxies with respect to any other matter that is properly brought before the Annual Meeting. Any stockholder giving a proxy may revoke it at any time before it is voted at the Annual Meeting by delivering a written notice of revocation or a duly executed proxy bearing a later date to our Corporate Secretary, or by appearing at the Annual Meeting and revoking his or her proxy and voting in person.

The candidates for election to our Board of Directors who receive the highest number of affirmative votes will be elected. For purposes of the Annual Meeting, a majority of the issued and outstanding shares entitled to vote and represented in person or by proxy constitutes a quorum. Shares held by brokers who have not received voting instructions from their customers, referred to as “broker non-votes,” are not counted or deemed to be present or represented for purposes of electing directors or determining whether certain matters have been approved by stockholders, but they are counted as present for purposes of determining the existence of a quorum at the Annual Meeting.

An automated system administered by our transfer agent tabulates the votes.

**COST OF PROXY SOLICITATION**

This solicitation of proxies is made on behalf of our Board of Directors, and the cost thereof will be borne by us. We have employed the firm of Morrow & Co., Inc., 470 West Avenue, Stamford, CT 06902, to assist in this solicitation at a cost of \$3,000, plus out-of-pocket expenses. We will also reimburse brokerage firms and nominees for their expenses in forwarding proxy material to beneficial owners of our Common Stock. In addition, our officers and employees, none of whom will receive any compensation in addition to their regular compensation, may solicit proxies. The solicitation will be made by mail and, in addition, may be made by facsimile, e-mail, personal interviews and by telephone.

## INTRODUCTION

This proxy statement is furnished by your Board of Directors in connection with the solicitation of proxies for use at the Annual Meeting of stockholders to be held at the Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830, on June 3, 2010, at 8:30 a.m. Eastern time, and at any adjournments thereof. You are being asked to vote on the following:

1. To elect six members of our Board of Directors to serve until the next Annual Meeting of our stockholders and until their successors are duly elected and qualify.
2. To transact such other business as may properly come before the Annual Meeting or any adjournments thereof. The Board of Directors is not aware of any such matters.

## MARKET-RELATED INFORMATION

### Market for Common Stock

Our Common Stock currently trades in the Pink Sheets® under the symbol “LICT”. On November 10, 2005, the effective date of a 1-for-100 reverse split of the Corporation’s Common Stock, the Corporation’s Common Stock ceased trading on the American Stock Exchange and quotation in the Pink Sheets® commenced. On April 21, 2010, our Common Stock closed at \$2,550/share with a high of \$2,575 and a low of \$2,510/share on that date. There were approximately 90 stockholders of record on April 21, 2010. The following table lists the high and low sales prices of our Common Stock for the periods indicated below.

PERIOD	HIGH	LOW
<b>Fiscal Year Ended December 31, 2007</b>		
1 <sup>st</sup> Quarter	\$3,548	\$3,125
2 <sup>nd</sup> Quarter	\$3,550	\$3,375
3 <sup>rd</sup> Quarter	\$3,640	\$3,475
4 <sup>th</sup> Quarter	\$4,300	\$3,205
<b>Fiscal Year Ended December 31, 2008</b>		
1 <sup>st</sup> Quarter	\$4,340	\$3,700
2 <sup>nd</sup> Quarter	\$4,300	\$4,025
3 <sup>rd</sup> Quarter	\$4,475	\$4,150
4 <sup>th</sup> Quarter	\$4,150	\$1,350
<b>Fiscal Year Ending December 31, 2009</b>		
1 <sup>st</sup> Quarter	\$2,800	\$2,100
2 <sup>nd</sup> Quarter	\$2,950	\$2,100
3 <sup>rd</sup> Quarter	\$2,900	\$2,600
4 <sup>th</sup> Quarter	\$3,000	\$2,400
<b>Fiscal Year Ending December 31, 2010</b>		
1 <sup>st</sup> Quarter	\$3,000	\$2,450

## **Dividend Policy**

The Corporation has not paid cash dividends on our Common Stock since our inception, and has instead generally retained liquidity for operations. The Board of Directors may consider instituting a dividend in the future, subject to the Corporation's financial needs, any applicable financial obligations and its strategic development. We have distributed shares of subsidiary companies to our shareholders in the form of spin-offs (e.g., CIBL, Inc. in 2007), and currently plan to conduct such a transaction in 2010.

## **ELECTION OF DIRECTORS**

Our Board of Directors has nominated Mario J. Gabelli, Glenn J. Angiolillo, Alfred W. Fiore, Daniel R. Lee, Salvatore Muoio and Gary L. Sugarman to be elected at the 2010 Annual Meeting as all of the members of our Board of Directors, to serve until the next Annual Meeting and until their respective successors are elected and qualify. If for any reason any nominee does not stand for election, the proxies solicited by this proxy statement will be voted in favor of the remainder of those named and may be voted for a substitute nominee in place of such nominee. We have no reason to expect, however, that any of the nominees will not stand for election.

Our By-laws provide that our Board of Directors shall consist of no less than two and no more than nine members, and that any vacancies on our Board, arising for whatever reason including newly-created directorships, may be filled by the remaining directors until the next meeting of our stockholders. The current size of our Board of Directors is six members, pursuant to a resolution of the Board of Directors and the election to the Board of Mr. Lee on January 14, 2010.

Biographical summaries and ages of the nominees as of April 21, 2010, are set forth below. As shown by this information, each of the nominees is well qualified to serve on our Board as further detailed immediately following each biographical summary. In addition, the Board has carefully considered that as a group, the nominees provide a broad range of diversity in their backgrounds, education, experience, skills and expertise, as also set forth below. The diverse qualifications and abilities of our nominees cover all of the major areas of the Corporation's strategic, operational, financial and governance needs.

Data with respect to the number of shares of our Common Stock beneficially owned by each of the nominees appear elsewhere in this proxy statement. All such information has been furnished to us by the nominees.

### **Nominees for Election**

**Mario J. Gabelli**, 67, has served as a director of the Corporation since 1999. He has served as our Chairman since December 2004 (and also served as Chairman from September 1999 to December 2002), as our Vice Chairman from December 2002 to December 2004, and as Chief Executive Officer from September 1999 to November 2005. Mr. Gabelli has also served as a director of CIBL, Inc., a company which operates a cable television system and holds other communications interests, from the time of its spin-off from LICT in November 2007. Mr. Gabelli has served as the Chairman, Chief Executive Officer and Chief Investment Officer –Value Portfolios of GAMCO Investors Inc. (“GAMCO”), a publicly traded company in the asset management business, since November 1976. In connection with those responsibilities, he serves as director or trustee of registered investment companies managed by GAMCO and its affiliates (“Gabelli Funds”). Mr. Gabelli has been a portfolio manager of Teton Advisors, Inc. (“Teton”), an asset management company, since 1998 through the present. Teton was spun off from

GAMCO in March 2009. He has also served as Chairman and Chief Executive Officer of Morgan Group Holdings, Inc., a public holding company, from 2001 to the present. In addition, Mr. Gabelli is the Chief Executive Officer, a director and the controlling shareholder of GGCP, Inc. (“GGCP”), a private company which owns a majority of GAMCO’s Class B Stock, and the Chairman of MJG Associates, Inc., which acts as an investment manager of various investment funds and other accounts. Mr. Gabelli also serves as an Overseer of the Columbia University Graduate School of Business, and as a Trustee of Boston College and Roger Williams University. In addition, he serves as Director of The Winston Churchill Foundation, The E. L. Wiegand Foundation, The National Italian American Foundation, The American-Italian Cancer Foundation, The Foundation for Italian Art & Culture, and the Mentor/National Mentoring Partnership and the Patron’s Committee for the Immaculate Conception School. He is also Chairman of the Gabelli Foundation, Inc., a Nevada private charitable trust.

The Board believes that Mr. Gabelli’s qualifications to serve on the Board include his many years of experience and service with the Corporation, both as an officer and a Director; his service as general partner of an entity that holds the largest ownership interest in the Corporation (see page 10); his extensive financial and investment expertise; and his knowledge of and experience with the telecommunications industry.

**Glenn J. Angiolillo**, 56, has served as a Director of the Corporation since May 2006. He has been President of GJA Corp., a consulting and advisory firm specializing in wealth management since 1998. Previously, Mr. Angiolillo was a partner and member of the Management Committee in the law firm of Cummings & Lockwood, where he concentrated in the areas of corporate law, mergers and acquisitions, and banking and finance. Mr. Angiolillo also serves on the boards of NYMagic, Inc., Gaylord Entertainment Company and Trans-Lux Corporation.

The Board believes that Mr. Angiolillo’s qualifications to serve on the Board include his substantial experience with commercial and corporate law, and in particular with corporate governance, as well as his extensive record of service on the boards of several public companies and his four years of service on our Board.

**Alfred W. Fiore**, 72, has served as a Director of the Corporation since November 2006. Mr. Fiore is a retired partner of KPMG, LLP, and is a principal in the accounting firm of O’Connor Davies Munns & Dobbins. In addition, Mr. Fiore is currently serving as or has been a director and/or officer of the following organizations: Dresdner RCM Investment Funds, Inc.; Dresdner RCM Global Funds, Inc.; Southeast Frozen Foods, LLP; Intelcom Solutions, Inc.; and Teton Advisors, Inc.

The Board believes that Mr. Fiore’s qualifications to serve on the Board include his accounting and audit expertise, his experience with executive compensation and his substantial experience both on our Board and those of a number of other companies.

**Daniel R. Lee**, 53, rejoined the Corporation’s Board of Directors on January 14, 2010. He had previously served as a director on our Board from 2000-2005. Mr. Lee has also served in a number of senior executive positions over the course of his long and distinguished business career, most recently as Chairman and Chief Executive Officer of Pinnacle Entertainment, Inc., a New York Stock Exchange listed company, from 2002-2009. He also served as Chief Financial Officer, Treasurer and Senior Vice President - Finance of Mirage Resorts, Inc., from 1992-1999.

The Board believes that Mr. Lee’s qualifications to serve on the Board include his extensive financial experience and expertise, his general management experience as the CEO of a large corporation, his knowledge of this Corporation and his previous service on our Board.

**Salvatore Muoio**, 49, has served as a Director of the Corporation since 1999. He has been a Principal and the Chief Investment Officer of S. Muoio & Co. LLC, a securities advisory firm, since 1996. From 1995 to 1996, Mr. Muoio served as a Securities Analyst and Vice President of Lazard Freres & Co., L.L.C., an investment banking firm. From 1985 to 1995, Mr. Muoio served as a Securities Analyst at Gabelli & Company, Inc.

The Board believes that Mr. Muoio's qualifications to serve on the Board include his substantial knowledge of the telecommunications industry and his experience with investing in this industry, in addition to his existing record of service on the Corporation Board.

**Gary L. Sugarman**, 56, has served as a Director of the Corporation since September 2006. He is Executive Chairman of Verosity Technology Partners ("VTP"), taking that position upon the investment in VTP by Bank of America Merrill Lynch Capital Partners and Mr. Sugarman in December 2007. Mr. Sugarman is also Principal of Richfield Associates, a telecommunications investment/merchant bank he founded in 1994. In addition, Mr. Sugarman is a member of the Board of Directors of Telephone & Data Systems Inc., a public telecommunications company with both wireless and wireline operations. Previously, he served as Chairman and Chief Executive Officer of a facilities-based telecommunications company he co-founded in 1994, Mid Maine Communications, until its sale in late 2006. From 1991 to 1993, Mr. Sugarman was an officer of Lynch Corporation, from which the Corporation was spun off in 1999.

The Board believes that Mr. Sugarman's qualifications to serve on the Board include his many years of executive experience, which continues to the present time, in a broad range of assignments throughout the telecommunications industry, along with his extensive experience on the board of other telecommunications companies as well as LICT.

## **Votes Required**

Except where authority to vote for nominees has been withheld, it is intended that the proxies received pursuant to this solicitation will be voted "FOR" the nominees named above. Nominees receiving the greatest number of votes duly cast for the election of directors will be elected to our Board of Directors. Abstentions and broker non-votes are not counted as votes cast for the purpose of electing Directors.

## **Recommendation of the Board of Directors:**

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES TO THE BOARD OF DIRECTORS.***

## GOVERNANCE OF LICT CORPORATION

### Board of Directors

Our Board of Directors has six members, each of whom other than Mr. Gabelli may currently be considered to be independent under stock exchange and Securities and Exchange Commission rules. During 2009, our Board of Directors held six meetings. All of our Directors attended at least 75% of the meetings of our Board of Directors. The Corporation does not have a policy regarding the attendance of Directors at the Annual Meeting. In September 2007, the Board elected Alfred Fiore as Chairman of the Audit Committee, which is comprised of the Board of Directors as a whole, and in March 2008 the Board appointed Glenn Angiolillo, Alfred Fiore and Gary Sugarman to serve as the Compensation Committee.

### Compensation of Directors

In 2009, Directors other than the Chairman received a quarterly cash retainer of \$9,000; a fee of \$2,000 for each Board of Directors meeting attended in person prior to May 26, 2009, and a fee of \$3,000 for such attendance beginning on May 26, 2009; a fee of \$1,000 for attendance at each telephonic Board meeting; and a fee of \$3,000 per day for attendance at the Corporation's annual profit plan meeting. In addition, Mr. Fiore receives a quarterly retainer of \$1,250 for his service as Chairman of the Audit Committee, and Messrs. Fiore, Angiolillo and Sugarman each receive a quarterly retainer of \$750 for their service as members of the Compensation Committee. The Chairman receives no retainer or fees for his service on the Board.

The total compensation in quarterly cash retainers and fees for meeting attendance paid in 2009 is as follows:

Glenn J. Angiolillo	\$58,000
Alfred W. Fiore	\$63,000
Salvatore Muoio	\$49,000
Gary L. Sugarman	\$58,000

No form of compensation other than these cash payments (e.g., stock options, restricted stock, etc.) was provided to these Directors during 2009. The Corporation maintains a liability insurance policy that provides for indemnification of each Director (and officer) against certain liabilities that may be incurred through service in such capacities.

### Risk Oversight

Our Board of Directors has responsibility for the oversight of risk management. The Board, either as a whole or through its committees, regularly discusses with management the Corporation's significant risk exposures, their potential impact on the Corporation, and the steps necessary to manage these risks. The Board's areas of focus prominently include the management of risks associated with governance issues such as corporate structure, supervision of field management and accountability requirements. While the Board as a whole is ultimately responsible for risk oversight at LICT, the Board committees assist the Board in fulfilling that responsibility in certain areas of risk. In particular, representatives of the Audit Committee meet periodically with management in order to review the Corporation's financial reporting risk exposures and the measures management must take to identify, monitor and control such exposures. The Compensation Committee also assists the board in fulfilling its oversight responsibilities regarding the potential risks arising from compensation policies and provisions.

## **Employee Code of Ethics and Conflicts of Interest Policy**

Since our spin-off from Lynch Corporation in 1999, we have had a code of conduct and a policy governing conflicts of interest. In December 2003, we adopted a Code of Ethics that applies to all of the Corporation's employees, including our officers. We require all of our employees to adhere to our Code of Ethics and Conflicts of Interest Policy in addressing legal and ethical issues encountered in conducting their work. Our Code of Ethics and Conflicts of Interest Policy require that our employees comply with all laws and other legal requirements, avoid conflicts of interest, conduct business in an honest and ethical manner, and otherwise act with integrity and in our best interest. In addition, employees who due to their responsibilities may encounter conflicting interests are required to certify compliance with our Conflicts of Interest Policy. Our Code of Ethics and Conflicts of Interest Policy are posted on our website at [www.lictcorp.com](http://www.lictcorp.com).

## **Policy Regarding Reports of Actions That May Be Violations of Law**

In December 2003, our Board of Directors also adopted a Policy Regarding Reports of Actions That May Be Violations of Law, referred to as our "Violations" or "Whistleblower" Policy. This Policy reaffirms our commitment to comply with all applicable laws that protect employees from unlawful discrimination or retaliation as a result of their lawfully reporting information regarding, or participating in investigations involving, allegations of corporate fraud or other violations of federal or state law. The Policy further establishes a procedure by which employees may file anonymous complaints regarding the Corporation's actions or business practices including, but not limited to, fraudulent conduct, violations of internal accounting controls or other financial misconduct, and non-compliance with applicable laws or regulations. Our Whistleblower Policy also provides that we will offer a reward of up to \$10,000 (also made on an anonymous basis) to any employee who reports information regarding corporate fraud or other alleged violations by the Corporation or its agents of federal or state law, and such information leads to a finding of wrongdoing as determined either by our Board of Directors or by a government authority. A copy of this Policy is posted on our website at [www.lictcorp.com](http://www.lictcorp.com).

## **Stockholder Communications**

Our stockholders may send communications by letter addressed to our Board of Directors at LICT Corporation, 401 Theodore Fremd Avenue, Rye, New York 10580. All communications will be received and reviewed by our Corporate Secretary, and forwarded to our Directors if matters appropriate for their attention are raised. The receipt of such communications about our accounting, internal controls, auditing matters or business practices will be reported to the Audit Committee. The receipt of such communications concerning other matters will be reported to our Board of Directors or an appropriate committee of our Board of Directors.

## REPORT ON EXECUTIVE COMPENSATION

This table sets forth our principal executive officers' compensation for the last three fiscal years:

Name and Executive Position	Year	Salary (\$)	Bonus (\$) (1) Compensation
Mario J. Gabelli, Chairman	2009	150,000	---
	2008	150,000	---
	2007	150,000	---
Robert E. Dolan, Interim CEO (from 5/1/06) and CFO	2009	350,000	180,000
	2008	350,000	200,000
	2007	350,000	230,000
Paul S. Goldstein, Controller	2009	175,000	35,000
	2008	175,000	60,000
	2007	167,500	80,000
Thomas J. Hearity, General Counsel, VP- Admin. & Secretary	2009	250,000	110,000
	2008	250,000	120,000
	2007	226,000	100,000
Neil L. Kiernan, Treasurer	2009	160,000	35,000
	2008	123,100	60,000

- (1) Bonuses earned in any fiscal year are typically paid during the first 75 days of the following fiscal year. We have no outstanding stock options or stock appreciation rights and we have not made any long-term incentive plan awards to our executive officers.

### Compensation Discussion and Analysis

#### Overview and Philosophy

The Board of Directors approves annual compensation to be paid to our Chairman and each of our executive officers, as well as to other key employees. In addition, acting through the Compensation Committee, the Board is responsible for developing and administering our executive compensation policies and plans. The Compensation Committee has approved the following discussion of the Corporation's executive compensation in this proxy statement.

The objectives of our executive compensation program are to:

- Promote and reward the achievement of the Corporation's desired performance;
- Provide compensation that will attract and retain superior talent;
- Ensure that there is appropriate linkage between executive compensation and the enhancement of stockholder value; and
- Evaluate the effectiveness of our incentives for key executives.

The executive compensation program is designed to provide an overall level of compensation opportunity that is competitive with companies of comparable size, scope, capitalization and complexity. Actual compensation levels, however, may be greater or less than average competitive levels based upon our annual and long-term performance, as well as individual performance. The Board of Directors uses its

discretion to set executive compensation at levels warranted, in its judgment, by such performance and by our other compensation objectives, as set forth above.

## **Executive Officer Compensation Program**

Our executive officer compensation program is comprised of base salary, cash bonus compensation, our 401(k) Savings Plan, and other benefits generally available to our employees.

### ***Base Salary***

Base salary levels for our executive officers are intended to be competitive with other companies in our industry which are comparable to LICT in size, complexity and financial characteristics. In determining salaries, the Board of Directors, working through the Compensation Committee, takes into account an individual's experience and performance, as well as specific issues relating to the Corporation and its desired performance. The adjustments made to salaries for 2009 were based upon a variety of judgmental factors, including the individual performances of the officers and their anticipated contributions to LICT, the prevailing industry conditions, and our general financial and strategic posture and performance. For 2009, it was determined that there would be no salary increase for the Corporation's principal executive officers.

### ***Bonus Plan***

We have in place a bonus plan that is based on objective measures of corporate performance and on subjective evaluation of individual performance for our executive officers and other key personnel. In general, this plan provides for the payment of a percentage of an officer's base salary for the attainment of Board-approved objectives, which are typically set in the first calendar quarter; and upon the favorable evaluation of the officer's overall performance by the Board and/or the officer's immediate superior. The Board, in its discretion, may take into consideration such other factors and circumstances involving the officer's performance and the Corporation's results as it deems relevant in determining the amount of each bonus.

### ***LICT Corporation 401(k) Savings Plan***

LICT's employees are eligible to participate in our 401(k) Savings Plan, after having completed one year of service in their employment by the Corporation. Our 401(k) Savings Plan permits employees to make contributions by deferring a portion of their compensation. We may make discretionary contributions to the 401(k) Savings Plan accounts of participating employees, although we do not currently do so. A participant's interest in both employee and employer contributions and earnings thereupon are fully vested at all times. All 401(k) contributions are invested in certain mutual funds or our Common Stock, as determined by the participants. With respect to the individuals listed in the Summary Compensation Table, each of Messrs. Gabelli and Dolan deferred \$22,000, Mr. Goldstein deferred \$11,750 and Mr. Kiernan deferred \$16,500 under the 401(k) Savings Plan during 2009.

### ***Benefits***

We provide medical, life insurance and disability benefits to the executive officers that are generally available to all of our employees. The amount of perquisites, as determined in accordance with the rules of the SEC relating to executive compensation, did not exceed \$10,000 for any executive in 2009.

### ***Chief Executive Officer Compensation***

Effective May 1, 2006, Robert E. Dolan was elected Interim Chief Executive Officer of the Corporation, in addition to his continuing duties as the Corporation's Chief Financial Officer. His salary was increased from \$320,000 to \$350,000 effective as of that date, and has been continued at \$350,000 since that time. The Board of Directors considers a number of factors in determining Mr. Dolan's compensation, including the Corporation's size and scope; his development of existing and new businesses; our financial performance as reflected by the increase in our internally estimated private market value as well as our public market value; and return on stockholders' equity.

Prior to November 15, 2005, when a Chief Executive Officer was elected, Mr. Gabelli performed the usual functions of that office. In 2005, Mr. Gabelli's annual salary was \$350,000 in recognition of his performance of the Chief Executive Officer function. As shown in the executive compensation chart above, Mr. Gabelli's salary has been reduced to \$150,000 annually due to the election of a Chief Executive Officer. Mr. Gabelli remains actively involved in the development of the Corporation's acquisition, disposition, investment and financial strategies, and his salary has been continued at \$150,000 per year.

### **Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and based on such review and discussions, has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee  
Glenn J. Angiolillo  
Alfred W. Fiore  
Gary L. Sugarman

### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth, as of the current date, certain information with respect to all persons known to us to each beneficially own more than 5% of our shares of Common Stock, which is our only class of voting stock outstanding. The table also sets forth information with respect to our Common Stock beneficially owned by the directors, by each nominee for director, by each of the executive officers named in the Summary Compensation Table, and by all Directors, nominees for Director and executive officers as a group. Consistent with prior years, the number of shares beneficially owned is determined under rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which a person has the sole or shared voting or investment power or any shares that the person can acquire within 60 days, such as through exercise of stock options or conversions of securities. Except as otherwise indicated, our stockholders listed in the table have sole voting and investment powers with respect to the Common Stock set forth in the table. The following information has been furnished to us by or on behalf of the persons named in the table. For ownership information purposes, the address of each entity or person listed in the table is 401 Theodore Fremd Avenue, Rye, New York 10580.

<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
MJG IV Limited Partnership	6,200.00 (1)	25.5%
Mario J. Gabelli	7,026.165 (1)(2)	28.9%
Salvatore Muoio	624.04 (3)	2.6%
Glenn J. Angiolillo	2	*
Alfred W. Fiore	10	*
Gary L. Sugarman	9	*
Robert E. Dolan	21.629 (4)	*
All directors and named executive officers as a group (6 persons)	7,692.834	31.7%

\* Represents holdings of less than one percent of the 24,290.37 shares outstanding at April 21, 2010.

(1) MJG-IV Limited Partnership, a limited partnership of which Mr. Gabelli is the general partner, has the right to receive and the power to direct the receipt of dividends from, or the proceeds from the sale of, 6,200 shares. Mr. Gabelli has approximately a 0.675% interest in the partnership, except in respect of 4,800 shares of our Common Stock sold by Mr. Gabelli to the partnership in January 2004 in which Mr. Gabelli has no interest.

(2) Represents 6,200 shares owned by a limited partnership in which Mr. Gabelli is the general partner (see footnote 1 above), 66 shares owned directly by Mr. Gabelli, 166.165 shares owned by Mr. Gabelli through our 401(k) Savings Plan, and 594 shares owned by GGCP, Inc., in which Mr. Gabelli is the majority stockholder. Mr. Gabelli disclaims beneficial ownership of the shares owned by MJG-IV and GGCP, Inc. except to the extent of his interest therein.

(3) Consists of 17.04 shares owned directly by Mr. Muoio, 605 shares owned by investment funds of which S. Muoio & Co. LLC is the general partner or investment manager, and 2 shares owned by S. Muoio & Co. LLC Profit Sharing Plan. Mr. Muoio is the managing member of S. Muoio & Co. LLC. Mr. Muoio disclaims beneficial ownership of the shares owned by such investment funds, except for his interest therein.

(4) Includes 17.629 shares owned by Mr. Dolan through our 401(k) Savings Plan.

## **TRANSACTIONS WITH CERTAIN AFFILIATED PERSONS**

Mr. Gabelli is affiliated with various entities that he directly or indirectly controls and that are engaged in various aspects of the securities business, such as an investment adviser to various institutional and individual clients, including registered investment companies and pension plans; as a broker-dealer; and as managing general partner of various private investment partnerships. During 2009, the Corporation and its subsidiaries engaged in various transactions and arrangements with certain of these entities.

The total amount of reimbursements and other remuneration paid to such entities was approximately \$224,900. This amount was comprised of reimbursement for administrative and staff support functions, including charges for shared employee expenses (\$28,700), communication charges (\$24,000), shared travel and automobile expenses (\$2,400), and miscellaneous office charges (\$2,400), and in connection with a business aircraft owned in part by a subsidiary of GGCP, Inc. (\$53,670). In addition, the Corporation leases some 3,600 square feet in a building in Rye, New York, owned by an affiliate of Mr. Gabelli. The rent is approximately \$28 per square foot per year plus a minimum of \$3 per square foot per year for utilities, subject to adjustment for changes in taxes and operating expenses. The term of this lease extends to December 2023. The total amount paid for rent and utilities in 2009 under this lease was approximately \$113,730. Teton Advisors, Inc., an unaffiliated entity that also leases space in the building, pays rent on terms that are not more favorable than those of the Corporation.

## **INDEPENDENT PUBLIC ACCOUNTANTS**

The Board of Directors has appointed KPMG, LLP (“KPMG”) as our independent auditor for the year ending December 31, 2009. Deloitte & Touche LLP audited our 2008 and 2007 consolidated financial statements. Representatives of KPMG are expected to be available at the Annual Meeting, where they will have the opportunity to make a statement, if they so desire, and to answer appropriate questions from the meeting attendees.

### **Audit Fees**

The aggregate fees billed by Deloitte & Touche for professional services rendered for the 2008 audit of our consolidated financial statements was approximately \$2.1 million, and the aggregate fees billed by KPMG for professional services rendered for the audit of our 2009 consolidated financial statements was approximately \$1.1 million.

### **Audit-Related Fees**

No fees were billed to the Corporation by Deloitte & Touche in 2008, and none have been billed by KPMG for 2009, for assurance and related services that are reasonably related to the performance of the audit of our 2008 and 2009 financial statements and/or performance of a review of our financial statements during 2008 and 2009 that are not reported as audit fees above.

### **Tax Fees**

Deloitte & Touche billed the Corporation \$9,000 for professional services rendered to us for tax compliance, tax advice, and tax planning for 2008, and neither Deloitte & Touche nor KPMG has billed us any fees for such purposes for 2009.

No fees were billed to the Corporation by Deloitte & Touche in 2008 or 2009, or by KPMG in 2009 or to the current date in 2010, for services other than as set forth above.

## **REPORT OF THE AUDIT COMMITTEE**

As noted above, the Audit Committee is chaired by Alfred Fiore and is comprised of the Board as a whole. Management is responsible for the Corporation’s internal accounting and financial controls, the financial reporting process, the internal audit function, and compliance with the Corporation’s policies and legal requirements. The Corporation’s current independent public accountant, KPMG, is responsible for performing an independent audit of the Corporation’s consolidated financial statements and for issuance of a report thereon.

The Audit Committee engages the independent public accountant. Acting principally through its Chairman, the Audit Committee monitors and oversees the Corporation’s accounting, financial and audit processes. It also investigates matters related to the Corporation’s financial statements and controls as it deems appropriate. In the performance of these oversight functions, the Audit Committee relies upon the information, opinions, reports and statements presented to it by the Corporation’s management and by the independent public accountant.

The Audit Committee reviews the audited consolidated financial statements of the Corporation with management, and management represents that the Corporation’s consolidated financial statements are

prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). In addition, the Audit Committee, acting principally through its Chairman, discusses with KPMG matters relating to the independent audit that are included within applicable Statements of Accounting Standards. The Audit Committee has confirmed the independence of KPMG through the Committee’s examination of and discussions with that firm.

Based on the Audit Committee’s review of the representations of management, and its discussions with management and with KPMG, the Committee has determined that the financial statements of the Corporation for the year ended December 31, 2009, as audited by KPMG, shall be included in the Corporation’s Annual Report.

Alfred W. Fiore  
For the Audit Committee

### **MISCELLANEOUS**

Our Board of Directors knows of no other matters that are likely to come before the Annual Meeting. If any other matters should properly come before the Annual Meeting, it is the intention of the persons named in the accompanying form of proxy to vote on such matters in accordance with their best judgment.

### **ANNUAL REPORT**

Our financial results for the fiscal year ended December 31, 2009, are available on the Corporation’s website, [www.litcorp.com](http://www.litcorp.com), and our Annual Report for 2009 will be posted there as soon as it is available. Additional materials describing the Corporation, its business and our results of operations, may also be found on our website.

