

Oxford Lane Capital Corp.  
Form 497  
March 07, 2016

Filed pursuant to Rule 497  
File No. 333-205405

**PROSPECTUS SUPPLEMENT**  
**(to Prospectus dated November 24, 2015)**

**Oxford Lane Capital Corp.**

**\$25,000,000**  
**Common Stock**

We are a non-diversified, closed-end management investment company that has registered as an investment company under the Investment Company Act of 1940, or the 1940 Act. Our investment objective is to maximize our portfolio's total return. We have implemented our investment objective by purchasing portions of equity and junior debt tranches of collateralized loan obligation (CLO) vehicles. Structurally, CLO vehicles are entities formed to originate and manage a portfolio of loans. The loans within the CLO vehicle are limited to loans which meet established credit criteria and are subject to concentration limitations in order to limit a CLO vehicle's exposure to a single credit.

We have entered into an equity distribution agreement, dated March 7, 2016, with Ladenburg Thalmann & Co. Inc. relating to the shares of common stock offered by this prospectus supplement and the accompanying prospectus.

The equity distribution agreement provides that we may offer and sell shares of our common stock having an aggregate offering price of up to \$25,000,000 from time to time through Ladenburg Thalmann & Co. Inc., as our sales agent. Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market, as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on the NASDAQ Global Select Market or similar securities exchange or sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices.

Ladenburg Thalmann & Co. Inc. will receive a commission from us up to 2.0% of the gross sales price of any shares of our common stock sold through Ladenburg Thalmann & Co. Inc. under the equity distribution agreement. Ladenburg Thalmann & Co. Inc. is not required to sell any specific number or dollar amount of common stock, but will use its commercially reasonable efforts consistent with its sales and trading practices to sell the shares of our common stock offered by this prospectus supplement and the accompanying prospectus. See Plan of Distribution beginning on page S-21 of this prospectus supplement. The sales price per share of our common stock offered by this prospectus supplement and the accompanying prospectus, less Ladenburg Thalmann & Co. Inc.'s commission, will not be less than the net asset value per share of our common stock at the time of such sale.

Our common stock is traded on the NASDAQ Global Select Market under the symbol OXLC. On March 4, 2016, the last reported sales price on the NASDAQ Global Select Market for our common stock was \$9.01 per share. We are

required to determine the net asset value per share of our common stock on a quarterly basis. Our net asset value per share of our common stock as of December 31, 2015 was \$8.13.

Please read this prospectus supplement and the accompanying prospectus before investing in our securities and keep each for future reference. This prospectus supplement and the accompanying prospectus contain important information about us that a prospective investor ought to know before investing in our securities. We are required to file annual, semi-annual and quarterly reports, proxy statements and other information about us with the Securities and Exchange Commission, or the SEC. This information is available free of charge by contacting us by mail at 8 Sound Shore Drive, Suite 255, Greenwich, CT 06830, by telephone at (203) 983-5275 or on our website at <http://www.oxfordlanecapital.com>. The SEC also maintains a website at <http://www.sec.gov> that contains such information. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement or the accompanying prospectus.

**An investment in our common stock is subject to risks and involves a heightened risk of total loss of investment. Shares of closed-end investment companies frequently trade at a discount to their net asset value. In addition, the CLO securities in which we invest are subject to special risks. See Risk Factors beginning on page S-17 of this prospectus supplement and page 18 of the accompanying prospectus to read about factors you should consider, including the risk of leverage, before investing in our common stock.**

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

## **Ladenburg Thalmann**

### **Prospectus Supplement dated March 7, 2016.**

---

TABLE OF CONTENTS

**TABLE OF CONTENTS**  
**PROSPECTUS SUPPLEMENT**

|                                                                  | Page        |
|------------------------------------------------------------------|-------------|
| <u>About this Prospectus Supplement</u>                          | <u>S-1</u>  |
| <u>Summary</u>                                                   | <u>S-2</u>  |
| <u>The Offering</u>                                              | <u>S-13</u> |
| <u>Fees and Expenses</u>                                         | <u>S-14</u> |
| <u>Supplementary Risk Factor</u>                                 | <u>S-17</u> |
| <u>Cautionary Statement Regarding Forward-Looking Statements</u> | <u>S-18</u> |
| <u>Use of Proceeds</u>                                           | <u>S-20</u> |
| <u>Plan of Distribution (Potential Conflicts of Interest)</u>    | <u>S-21</u> |
| <u>Legal Matters</u>                                             | <u>S-23</u> |
| <u>Experts</u>                                                   | <u>S-23</u> |
| <u>Available Information</u>                                     | <u>S-23</u> |
| <u>Schedule of Investments as of December 31, 2015</u>           | <u>S-24</u> |

**PROSPECTUS**

|                                                                            | Page      |
|----------------------------------------------------------------------------|-----------|
| <u>Summary</u>                                                             | <u>1</u>  |
| <u>Offerings</u>                                                           | <u>10</u> |
| <u>Fees and Expenses</u>                                                   | <u>13</u> |
| <u>Financial Highlights</u>                                                | <u>16</u> |
| <u>Risk Factors</u>                                                        | <u>18</u> |
| <u>Cautionary Statement Regarding Forward-Looking Statements</u>           | <u>38</u> |
| <u>Use of Proceeds</u>                                                     | <u>39</u> |
| <u>Price Range of Common Stock and Distributions</u>                       | <u>40</u> |
| <u>Senior Securities</u>                                                   | <u>43</u> |
| <u>Business</u>                                                            | <u>44</u> |
| <u>Management</u>                                                          | <u>53</u> |
| <u>Portfolio Management</u>                                                | <u>61</u> |
| <u>Investment Advisory Agreement</u>                                       | <u>64</u> |
| <u>Administration Agreement</u>                                            | <u>69</u> |
| <u>Certain Relationships and Transactions</u>                              | <u>70</u> |
| <u>Control Persons and Principal Stockholders</u>                          | <u>71</u> |
| <u>Regulation as a Registered Closed-End Management Investment Company</u> | <u>73</u> |
| <u>Determination of Net Asset Value</u>                                    | <u>78</u> |
| <u>Distribution Reinvestment Plan</u>                                      | <u>80</u> |
| <u>Material U.S. Federal Income Tax Considerations</u>                     | <u>81</u> |
| <u>Description of Securities</u>                                           | <u>89</u> |
| <u>Description of Our Capital Stock</u>                                    | <u>90</u> |
| <u>Description of Our Preferred Stock</u>                                  | <u>97</u> |

|                                                                                             |            |
|---------------------------------------------------------------------------------------------|------------|
| <u>Description of Our Subscription Rights</u>                                               | <u>98</u>  |
| <u>Description of Our Debt Securities</u>                                                   | <u>99</u>  |
| <u>Plan of Distribution</u>                                                                 | <u>112</u> |
| <u>Custodian, Transfer Agent, Dividend Disbursing Agent and Redemption and Paying Agent</u> | <u>114</u> |
| <u>Brokerage Allocation and Other Practices</u>                                             | <u>114</u> |
| <u>Legal Matters</u>                                                                        | <u>114</u> |
| <u>Experts</u>                                                                              | <u>114</u> |
| <u>Available Information</u>                                                                | <u>114</u> |
| <u>Index to Financial Statements</u>                                                        | <u>F-1</u> |

S-i

---

TABLE OF CONTENTS

## **ABOUT THIS PROSPECTUS SUPPLEMENT**

We have filed with the SEC a registration statement on Form N-2 (File Nos. 333-205405 and 811-22432) utilizing a shelf registration process relating to the securities described in this prospectus supplement, which registration statement was declared effective on November 24, 2015. This document is in two parts. The first part is the prospectus supplement, which describes the terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information and disclosure. To the extent the information contained in this prospectus supplement differs from or is additional to the information contained in the accompanying prospectus, you should rely only on the information contained in this prospectus supplement. Please carefully read this prospectus supplement and the accompanying prospectus together with the additional information described under the headings Available Information and Risk Factors included in the accompanying prospectus, respectively, before investing in our common stock.

**Neither we nor Ladenburg Thalmann & Co. Inc. has authorized any dealer, salesman or other person to give any information or to make any representation other than those contained in this prospectus supplement or the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or a solicitation of any offer to buy any security other than the registered securities to which they relate, nor do they constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction or to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The information contained in this prospectus supplement and the accompanying prospectus is accurate as of the dates on their respective covers. Our financial condition, results of operations and prospects may have changed since those dates. To the extent required by law, we will amend or supplement the information contained in this prospectus supplement and the accompanying prospectus to reflect any material changes subsequent to the date of this prospectus supplement and the accompanying prospectus and prior to the completion of any offering pursuant to this prospectus supplement and the accompanying prospectus.**

S-1

---

TABLE OF CONTENTS

## SUMMARY

*The following summary contains basic information about the offering of shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all the information that is important to you. For a more complete understanding of the offering of shares of our common stock pursuant to this prospectus supplement, we encourage you to read this entire prospectus supplement and the accompanying prospectus, and the documents to which we have referred in this prospectus supplement and the accompanying prospectus. Together, these documents describe the specific terms of the shares we are offering. You should carefully read the sections entitled Risk Factors and Business and our financial statements included in the accompanying prospectus.*

*Except where the context requires otherwise, the terms Oxford Lane Capital, the Company, the Fund, we, us and our refer to Oxford Lane Capital Corp.; Oxford Lane Management and investment adviser refer to Oxford Lane Management, LLC; BDC Partners and administrator refer to BDC Partners, LLC; and Alaric and Alaric Compliance Services refer to Alaric Compliance Services, LLC.*

## Overview

We are a non-diversified closed-end management investment company that has registered as an investment company under the 1940 Act. Our investment objective is to maximize our portfolio's risk-adjusted total return.

We have implemented our investment objective by purchasing portions of equity and junior debt tranches of collateralized loan obligation ( CLO ) vehicles. Substantially all of the CLO vehicles in which we may invest would be deemed to be investment companies under the 1940 Act but for the exceptions set forth in section 3(c)(1) or section 3(c)(7). Structurally, CLO vehicles are entities formed to originate and manage a portfolio of loans. The loans within the CLO vehicle are limited to loans which meet established credit criteria and are subject to concentration limitations in order to limit a CLO vehicle's exposure to a single credit. A CLO vehicle is formed by raising various classes or tranches of debt (with the most senior tranches being rated AAA to the most junior tranches typically being rated BB or B ) and equity. The CLO vehicles which we focus on are collateralized primarily by senior secured loans made to companies whose debt is unrated or is rated below investment grade ( Senior Loans ), and generally have very little or no exposure to real estate, mortgage loans or to pools of consumer-based debt, such as credit card receivables or auto loans. Below investment grade securities are often referred to as junk. Our investment strategy also includes warehouse facilities, which are financing structures intended to aggregate loans that may be used to form the basis of a CLO vehicle. We may also invest, on an opportunistic basis, in other corporate credits of a variety of types. We expect that each of our investments will range in size from \$5 million to \$50 million, although the investment size may vary consistent with the size of our overall portfolio.

Oxford Lane Management manages our investments and its affiliate arranges for the performance of the administrative services necessary for us to operate.

## Distributions

In order to qualify as a regulated investment company, or RIC, and to eliminate our liability for corporate-level U.S. federal income tax on the income we distribute to our stockholders, we are required, under Subchapter M of the Internal Revenue Code of 1986, as amended, or the Code, to distribute to our stockholders on an annual basis at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses,

if any.

S-2

---

TABLE OF CONTENTS

The following table reflects the cash distributions, including dividends, distributions reinvested and returns of capital, if any, per share that we have declared on our common stock to date:

| Date Declared     | Record Date        | Payment Date       | Amount <sup>(1)</sup> |
|-------------------|--------------------|--------------------|-----------------------|
| Fiscal 2017       |                    |                    |                       |
| December 11, 2015 | June 16, 2016      | June 30, 2016      | \$0.60                |
| Total (2017)      |                    |                    | 0.60                  |
| Fiscal 2016       |                    |                    |                       |
| December 11, 2015 | March 16, 2016     | March 30, 2016     | 0.60                  |
| November 4, 2015  | December 16, 2015  | December 31, 2015  | 0.60                  |
| July 29, 2015     | September 30, 2015 | October 30, 2015   | 0.60                  |
| May 13, 2015      | June 16, 2015      | June 30, 2015      | 0.60                  |
| Total (2016)      |                    |                    | 2.40                  |
| Fiscal 2015       |                    |                    |                       |
| January 28, 2015  | March 17, 2015     | March 31, 2015     | 0.60                  |
| November 5, 2014  | December 17, 2014  | December 31, 2014  | 0.60                  |
| August 1, 2014    | September 16, 2014 | September 30, 2014 | 0.60                  |
| May 19, 2014      | June 16, 2014      | June 30, 2014      | 0.60                  |
| Total (2015)      |                    |                    | 2.40                  |
| Fiscal 2014       |                    |                    |                       |
| November 26, 2013 | March 17, 2014     | March 31, 2014     | 0.60                  |
| November 26, 2013 | March 17, 2014     | March 31, 2014     | 0.10 <sup>(2)</sup>   |
| November 6, 2013  | December 17, 2013  | December 31, 2013  | 0.55                  |
| July 24, 2013     | September 16, 2013 | September 30, 2013 | 0.55                  |
| May 22, 2013      | June 14, 2013      | June 28, 2013      | 0.55                  |
| Total (2014)      |                    |                    | 2.35                  |
| Fiscal 2013       |                    |                    |                       |
| February 6, 2013  | March 15, 2013     | March 29, 2013     | 0.55                  |
| October 23, 2012  | December 17, 2012  | December 31, 2012  | 0.55                  |
| July 31, 2012     | September 14, 2012 | September 28, 2012 | 0.55                  |
| May 22, 2012      | June 15, 2012      | June 29, 2012      | 0.55                  |
| Total (2013)      |                    |                    | 2.20                  |
| Fiscal 2012       |                    |                    |                       |
| January 25, 2012  | March 16, 2012     | March 30, 2012     | 0.55                  |
| October 24, 2011  | December 16, 2011  | December 30, 2011  | 0.50                  |
| July 22, 2011     | September 16, 2011 | September 30, 2011 | 0.50                  |
| April 6, 2011     | June 16, 2011      | June 30, 2011      | 0.50                  |
| Total (2012)      |                    |                    | 2.05                  |
| Fiscal 2011       |                    |                    |                       |
| March 7, 2011     | March 21, 2011     | April 1, 2011      | 0.25                  |
| Total (2011)      |                    |                    | 0.25                  |
|                   |                    |                    | \$12.25               |

All of our cash distributions to date were funded from net investment income, except approximately \$0.07 per share, \$0.38 per share and \$0.14 per share of the distributions paid on June 29, 2012, June 28, 2013, and June 30, 2014, respectively, which were funded from long term capital gains. The tax characterization of cash distributions for the year ended March 31, 2015 will not be known until the tax return for that year is finalized.



(2) Represents a special dividend for the fiscal year ended March 31, 2014.

For the nine months ended December 31, 2015, we paid dividends totaling \$421,888, \$5,471,037 and \$3,698,782 on the Series 2017 Term Preferred Shares, the Series 2023 Term Preferred Shares and the Series

S-3

---

TABLE OF CONTENTS

2024 Term Preferred Shares, respectively. For the fiscal year ended March 31, 2015, we paid \$1,344,083, \$5,286,287 and \$2,912,844 on the Series 2017 Term Preferred Shares, the Series 2023 Term Preferred Shares and the Series 2024 Term Preferred Shares, respectively. For fiscal year 2014, we paid \$1,344,083 and \$2,638,151 in preferred dividends on the Series 2017 Term Preferred Shares and the Series 2023 Term Preferred Shares, respectively. For fiscal year 2013, we paid \$459,228 in preferred dividends on the Series 2017 Term Preferred Shares. The 2017 Term Preferred Shares were fully redeemed in July 2015.

For accounting purposes the distributions declared on our common stock for the fiscal years ended March 31, 2015, 2014, 2013, 2012 and 2011 were in excess of the reported earnings.