

GAMCO INVESTORS, INC. ET AL  
Form PRE 14A  
March 20, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

GAMCO Investors, Inc.  
(Name of Registrant as Specified in Its Charter)

(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

Table of Contents

(1) Title of each class of securities to which transaction applies:

---

(2) Aggregate number of securities to which transaction applies:

---

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

---

(4) Proposed maximum aggregate value of transaction:

---

(5) Total fee paid:

---

.. Fee paid previously with preliminary materials:

---

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

---

(1) Amount previously paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

---



Table of Contents

PRELIMINARY COPY SUBJECT TO COMPLETION  
DATED MARCH 20, 2014  
GAMCO INVESTORS, INC.  
One Corporate Center  
Rye, New York 10580

---

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on May 6, 2014

---

We cordially invite you to attend the Annual Meeting of Shareholders of GAMCO Investors, Inc. at the Indian Harbor Yacht Club, 710 Steamboat Road, Greenwich, CT 06830, on Tuesday, May 6, 2014, at 8:30 a.m. At the meeting, we will ask shareholders:

1. To elect seven directors to the Board of Directors;
2. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the year ending December 31, 2014;
3. To vote, on an advisory basis, on the named executive officer compensation;
4. To vote, on an advisory basis, on whether our Board of Directors should consider the conversion and reclassification of our shares of Class B Common Stock into Class A Common Stock at a ratio in the range between 1.15 to 1.25 shares of Class A Common Stock for each share of Class B Common Stock; and
5. To vote on any other business that properly comes before the meeting.

At the meeting, we will also review our 2013 financial results and outlook for the future and will answer your questions.

Shareholders of record at the close of business on March 25, 2014 are entitled to vote at the meeting or any adjournments or postponements thereof. Please read the attached proxy statement carefully and vote your shares promptly whether or not you are able to attend the meeting.

We encourage all shareholders to attend the meeting.

By Order of the Board of Directors

KEVIN HANDWERKER

Secretary

April xx, 2014

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on May 6, 2014.

This Notice, the Proxy Statement, and the 2013 Annual Report of Shareholders on Form 10-K are available free of charge on the following website: <http://www.gabelli.com/Template/corporate/index.cfm>

---

Table of Contents

TABLE OF CONTENTS

<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	<u>2</u>
<u>PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS</u>	<u>5</u>
<u>PROPOSAL 3 ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION</u>	<u>5</u>
<u>PROPOSAL 4 VOTE ON BOARD CONSIDERATION OF RECLASSIFICATION OF CLASS B STOCK</u>	<u>6</u>
<u>CORPORATE GOVERNANCE</u>	<u>7</u>
<u>INFORMATION REGARDING EXECUTIVE OFFICERS</u>	<u>14</u>
<u>COMPENSATION OF EXECUTIVE OFFICERS</u>	<u>15</u>
<u>Compensation Discussion and Analysis</u>	<u>15</u>
<u>REPORT OF THE COMPENSATION COMMITTEE</u>	<u>17</u>
<u>Summary Compensation Table for 2013</u>	<u>18</u>
<u>CERTAIN OWNERSHIP OF OUR STOCK</u>	<u>23</u>
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>23</u>
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	<u>25</u>
<u>REPORT OF THE AUDIT COMMITTEE</u>	<u>28</u>
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>29</u>
<u>SHAREHOLDER PROPOSALS FOR THE 2015 ANNUAL MEETING</u>	<u>29</u>
<u>OTHER MATTERS</u>	<u>29</u>

---

Table of Contents

PRELIMINARY COPY SUBJECT TO COMPLETION  
DATED MARCH 20, 2014

GAMCO INVESTORS, INC.  
One Corporate Center  
Rye, New York 10580

---

PROXY STATEMENT

---

ANNUAL MEETING OF SHAREHOLDERS

---

May 6, 2014

---

INTRODUCTION; PROXY VOTING INFORMATION

Unless we have indicated otherwise, or the context otherwise requires, references in this proxy statement to “GAMCO Investors, Inc.,” “GAMCO,” “the Company,” “GBL,” “we,” “us” and “our” or similar terms are to GAMCO Investors, Inc., a Delaware corporation, its predecessors and its subsidiaries.

We are sending you this proxy statement and the accompanying proxy card in connection with the solicitation of proxies by the Board of Directors of GAMCO (the “Board”) for use at our 2014 Annual Meeting of Shareholders (the “2014 Annual Meeting”) to be held at the Indian Harbor Yacht Club, 710 Steamboat Road, Greenwich, CT 06830, on Tuesday, May 6, 2014, at 8:30 a.m. and at any adjournments or postponements thereof. The purpose of the 2014 Annual Meeting is to elect directors, ratify the appointment of the Company’s independent registered public accounting firm, hold an advisory vote on the named executive officer compensation, vote, on an advisory basis, on a proposal that the Board consider converting our Class B Common Stock into Class A Common Stock, and act upon any other matters properly brought to the 2014 Annual Meeting. We are sending you this proxy statement, the proxy card, and our annual report on Form 10-K containing our financial statements and other financial information for the year ended December 31, 2013 (the “2013 Annual Report”) on or about April xx, 2014. The annual report on Form 10-K, however, is not part of the proxy solicitation materials.

Shareholders of record at the close of business on March 25, 2014, the record date for the 2014 Annual Meeting, are entitled to notice of and to vote at the 2014 Annual Meeting. On this record date, we had outstanding \_\_\_\_\_ shares of Class A Common Stock, par value \$.001 per share (“Class A Stock”), and \_\_\_\_\_ shares of Class B Common Stock, par value \$.001 per share (“Class B Stock”).

The presence, in person or by proxy, of a majority of the aggregate voting power of the shares of Class A Stock and Class B Stock outstanding on March 25, 2014 shall constitute a quorum for the transaction of business at the 2014 Annual Meeting. The Class A Stock and Class B Stock vote together as a single class on all matters with the exception of Proposal 4, which will be determined by a majority of the shares of Class A Stock voted at the 2014 Annual Meeting. Each share of Class A Stock is entitled to one vote per share, and each share of Class B Stock is entitled to ten votes per share. Directors who receive a plurality of the votes cast at the 2014 Annual Meeting by the holders of Class A Stock and Class B Stock outstanding on March 25, 2014, voting together as a single class, will be elected to serve until the 2015 annual meeting of shareholders (“2015 Annual Meeting”) or until their successors are duly elected and qualified. Any other matters will be determined by a majority of the votes cast at the 2014 Annual

Meeting. Abstentions and broker non-votes will count for purposes of establishing a quorum but will not count as votes cast on any matter. Accordingly, abstentions and broker non-votes will have no effect on the election of directors, the proposal to ratify Deloitte & Touche LLP as GAMCO's independent registered public accounting firm, the advisory vote on named executive officer compensation or the advisory vote that the Board consider converting our Class B Stock into Class A Stock.

We will pay for the costs of soliciting proxies and preparing the 2014 Annual Meeting materials. We ask securities brokers, custodians, nominees and fiduciaries to forward meeting materials to our beneficial shareholders as of the record date and we will reimburse them for the reasonable out-of-pocket expenses they incur. Our directors, officers and staff members may solicit proxies personally or by telephone, facsimile, e-mail or other means but will not receive additional compensation for doing so.

---



Table of Contents

If you are the beneficial owner, but not the record holder, of shares of our Class A Stock, your broker, custodian or other nominee may only deliver one copy of this proxy statement and our 2013 Annual Report to multiple shareholders who share an address unless we have received contrary instructions from one or more of the shareholders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement and our 2013 Annual Report to a shareholder at a shared address to which a single copy of the documents was delivered. A shareholder who wishes to receive a separate copy of the proxy statement and 2013 Annual Report, now or in the future, or who wishes to receive directions to the 2014 Annual Meeting, should submit this request by writing to our Secretary at GAMCO Investors, Inc., One Corporate Center, Rye, NY 10580-1422 or by calling our Secretary at (914) 921-5000. Beneficial owners sharing an address who are receiving multiple copies of proxy materials and annual reports and who wish to receive a single copy of such materials in the future will need to contact their broker, custodian or other nominee to request that only a single copy of each document be mailed to all shareholders at the shared address in the future.

The Board of Directors has selected each of Douglas R. Jamieson, Robert S. Zuccaro and Kevin Handwerker to act as proxies. When you sign and return your proxy card, you appoint each of Messrs. Jamieson, Zuccaro and Handwerker as your representatives at the 2014 Annual Meeting. You may revoke your proxy at any time before the 2014 Annual Meeting by delivering a letter of revocation to our Secretary at GAMCO Investors, Inc., One Corporate Center, Rye, NY 10580-1422, by properly submitting another proxy bearing a later date or by voting in person at the 2014 Annual Meeting. The last proxy you properly submit is the one that will be counted. Unless otherwise indicated on the proxy, all properly executed proxies received in time to be tabulated for the 2014 Annual Meeting will be voted “FOR” the election of the nominees named below, “FOR” the ratification of the appointment of the Company’s independent registered public accounting firm, “FOR” the advisory vote on the named executive officer compensation and “ABSTAIN” with respect to the advisory vote on whether our Board of Directors should consider the conversion and reclassification of our shares of Class B Stock into Class A Stock.

#### AVAILABILITY OF ANNUAL REPORT AND PROXY MATERIALS ON THE INTERNET

GAMCO makes available free of charge through its website, at [www.gabelli.com](http://www.gabelli.com), its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission (“SEC”). Copies of certain of these documents may also be accessed electronically by means of the SEC’s home page at [www.sec.gov](http://www.sec.gov). GAMCO also makes available on its website at [http://www.gabelli.com/corporate/corp\\_gov.html](http://www.gabelli.com/corporate/corp_gov.html) the charters for the Audit Committee, Compensation Committee, Governance Committee and Nominating Committee, as well as its Code of Business Conduct, Code of Conduct for Chief Executive and Senior Financial Officers, Corporate Governance Guidelines and its By-laws. Print copies of these documents are available upon written request to our Secretary at GAMCO Investors, Inc., One Corporate Center, Rye, New York 10580-1422.

#### PROPOSAL 1 ELECTION OF DIRECTORS

The Company’s directors are as follows (ages are as of March 31, 2014):

Name	Age	Position
Mario J. Gabelli	71	Chairman, Chief Executive Officer, Chief Investment Officer – Value Portfolios
Edwin L. Artzt	83	Director
R a y m o n d C . Avansino, Jr.	70	Director

Richard L. Bready	69	Director
Eugene R. McGrath	72	Director
Robert S. Prather, Jr.	69	Director
Elisa M. Wilson	41	Director

Our Nominating Committee recommended, and the Board approved, the nomination of each of the current directors for election to the Board, to hold office until the 2015 Annual Meeting or until their respective successors are duly elected and qualified. Directors who receive a plurality of the votes cast at the 2014 Annual Meeting shall be elected. Each of the nominees has consented to being named in the proxy statement and to serve if elected.

All properly executed proxies received in time to be tabulated for the 2014 Annual Meeting will be voted "FOR" the election of the nominees named below, unless otherwise indicated on the proxy. If any nominee becomes unable or unwilling to serve between now and the 2014 Annual Meeting, your proxies may be voted FOR the election of a replacement designated by the Board of Directors.

## Table of Contents

The following are brief biographical sketches of the seven nominees. All of the nominees are currently directors. Unless otherwise noted, the nominated directors have been officers of the organizations named below or of affiliated organizations as their principal occupations for more than five years.

The Board believes that each of the below persons possesses the necessary attributes, skills, qualifications and experience that are appropriate for them to serve as directors of the Company. Our directors have held senior positions as leaders of various entities, demonstrating their ability to perform at the highest levels. The expertise and experience of our directors enable them to provide broad knowledge and sound judgment concerning the issues facing the Company.

The Board of Directors has proposed all of the following nominees:

Mario J. Gabelli has served as Chairman, Chief Executive Officer, Chief Investment Officer — Value Portfolios and a director of the Company since November 1976. In connection with those responsibilities, he serves as director or trustee of registered investment companies managed by the Company and its affiliates (“Gabelli Funds”). Mr. Gabelli also serves as the Chief Executive Officer and Chief Investment Officer of the Value Team of GAMCO Asset Management Inc., the Company’s wholly-owned subsidiary. Mr. Gabelli has been a portfolio manager for Teton Advisors, Inc. (“Teton”) since 1998 through the present. Teton is an asset management company which was spun-off from the Company in March 2009. Mr. Gabelli has served as Chairman of LICT Corporation (“LICT”), a public company engaged in broadband transport and other communications services, from 2004 to the present and has been the Chief Executive Officer of LICT since December 2010. He has also served as a director of CIBL, Inc., a holding company with operations in broadcasting and telecommunications that was spun off from LICT in 2007, from 2007 to the present, and as the Chairman of Morgan Group Holding Co., a public holding company, from 2001 to the present. Mr. Gabelli was the Chief Executive Officer of Morgan Group Holding Co. from 2001 to November 2012. He has served as a director of ICTC Group, Inc., a rural telephone company serving southeastern North Dakota from July 2013 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 our Class B Stock through an intermediate subsidiary, GGCP Holdings, LLC (“Holdings”), and the Chairman of MJG Associates, Inc. (“MJG Associates”), which acts as an investment manager of various investment funds and other accounts. Mr. Gabelli serves as Overseer of the Columbia University Graduate School of Business and as a Trustee Associate of Boston College and Trustee of Roger Williams University. He also serves as Director of The Winston Churchill Foundation, The E. L. Wiegand Foundation, The American-Italian Cancer Foundation and The Foundation for Italian Art & Culture. 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 Company’s Board of Directors include his thirty-seven years of experience with the Company; his control of the Company through his ownership as the majority shareholder; his position as the senior executive officer of the Company and his direct responsibility for serving as the Chief Investment Officer of the Value Portfolios accounting for approximately 85.8% of the Company’s assets under management as of December 31, 2013.

Edwin L. Artzt has been a director of the Company since May 2004. Mr. Artzt previously served as a senior advisor to GGCP from September 2003 to December 2008 and was a senior advisor to Kohlberg, Kravis, Roberts & Co., a private equity firm, from April 2001 to April 2008. He was the Chairman of the Board and Chief Executive Officer of The Procter & Gamble Company, a global manufacturer of consumer products, from 1990 until 1995. He also served as the senior director of Barilla S.p.A. Italy from 1995 until 1998. Mr. Artzt was a director of American Express from 1991 to 2002, Delta Airlines from 1990 to 2002 and GTE from 1992 to 2002.

The Board believes that Mr. Artzt’s qualifications to serve on the Board of Directors include his former position as a Chairman and Chief Executive Officer of The Procter & Gamble Company and his position as a director or an adviser

to other public and private companies.

Raymond C. Avansino, Jr. has been a director since January 2008. Mr. Avansino has been the Chairman of the Board and Chief Executive Officer of The E. L. Wiegand Foundation of Reno, Nevada, a Nevada private charitable trust, since 1982. He is counsel to the Nevada law firm of Avansino, Melarkey, Knobel and Mulligan, a firm he founded in 1973. Mr. Avansino is the Chairman and President of Miami Oil Producers, Inc., a private corporation with investments in oil and gas properties, real properties and securities. He served as President and Chief Operating Officer of Hilton Hotels Corporation from 1993 to 1996 and was a member of the Nevada Gaming Commission from 1981 to 1984. Mr. Avansino currently serves as a member of the Nevada State Athletic Commission. Mr. Avansino was also a director of the Company from 2000 to 2006.

Table of Contents

The Board believes that Mr. Avansino's qualifications to serve on the Board of Directors include his former position as the President and Chief Operating Officer of Hilton Hotels Corporation, his current position as the Chairman and Chief Executive Officer of a private charitable trust and his position as a lawyer with an advanced tax degree.

Richard L. Bready has been a director of the Company since May 2006. Mr. Bready previously served as Chairman and Chief Executive Officer of Nortek, Inc., a manufacturer and distributor of building products for residential and commercial applications, from December 1990 until July 2011. He joined Nortek, Inc. in 1975 as Treasurer, was elected a director in 1976 and was appointed Executive Vice President and Chief Operating Officer in 1979. Prior to joining Nortek, Inc., Mr. Bready was an independent financial consultant and an audit manager with a major public accounting firm. He serves on the Board of Directors/Trustees of Professional Facilities Management, Inc., Providence Performing Arts Center, Rhode Island Public Expenditure Council (RIPEC), the National Conference of Christians and Jews, the YMCA of Greater Providence, Saint Anselm College, Johnson & Wales University, as Chairman of Roger Williams University and is a Trustee Emeritus of Trinity Repertory Company. Mr. Bready has also served as a director of the Bank RI since 2007 and Bancorp Rhode Island, Inc. since 2007, and is on the Advisory Board of Sterling Investment Partners. He is a Corporation Member and serves on the National Council, Alumni Executive Forum and Audit Committee of Northeastern University. Mr. Bready is also a Corporation Member of Rhode Island Hospital. Nortek, Inc. filed for a prepackaged bankruptcy on October 21, 2009 and emerged from bankruptcy on December 17, 2009.

The Board believes that Mr. Bready's qualifications to serve on the Board of Directors include his former position as Chairman and Chief Executive Officer of Nortek, Inc. and his position as a director of other public companies and charitable organizations.

Eugene R. McGrath has been a director of the Company since January 2007. Mr. McGrath previously served as Chairman, President and Chief Executive Officer of Consolidated Edison, Inc. ("Con Ed"), a public utility company, from October 1997 until September 2005 and as Chairman until February 2006. He served as Chairman and Chief Executive Officer of Con Ed's subsidiary, Consolidated Edison Company of New York, Inc., from September 1990 until February 2006. Mr. McGrath has been a director of Con Ed since 1989, AEGIS Insurance Services since 2003 and Sensus since 2010, and was a director of Schering-Plough from 2000 to 2009 and Atlantic Mutual from 1996 to 2008.

The Board believes that Mr. McGrath's qualifications to serve on the Board of Directors include his former position as the Chairman, President and Chief Executive Officer of Con Ed and his position as a director of other public companies.

Robert S. Prather, Jr. has been a director of the Company since May 2004 and serves as the lead independent director. Mr. Prather has been the President and Chief Executive Officer of Heartland Media LLC, a private owner of television stations and media properties, since September 2013. He was the President and Chief Operating Officer of Gray Television, Inc., a television broadcast company, from September 2002 until June 2013. Mr. Prather was an Executive Vice President of Gray Television, Inc. from 1996 until September 2002. He was also a director of Gray Television, Inc. Mr. Prather has served as Chairman of the Board at Southern Community Newspapers, Inc., a publishing and communication company, since December 2005. He served as Chief Executive Officer and director of Bull Run Corporation, a sports and affinity marketing and management company, from 1992 until its merger into Triple Crown Media, Inc. in December 2005. Since 2009, he has served as a director of a firm formerly known as Gaylord Entertainment Company, originally a hospitality and entertainment company which converted into a real estate investment trust under the name Ryman Hospitality Properties, Inc. in October 2012. Mr. Prather has also served as a director of Diebold, Incorporated ("Diebold") since 2013.

The Board believes that Mr. Prather's qualifications to serve on the Board of Directors include his position as President and Chief Executive Officer of Heartland Media LLC and his position as a director of other public and private companies.

Elisa M. Wilson has been a director of the Company since February 2009. Ms. Wilson is President and a trustee of the Gabelli Foundation, Inc., a Nevada private charitable trust. In addition, she is a shareholder of GGCP. Ms. Wilson also serves as a director of the American Red Cross. She earned a BA from Boston College and an MA/EDM from Columbia University. Ms. Wilson has been a professional staff member of GAMCO since 1999 but has been on an unpaid leave for several years. Ms. Wilson is the daughter of Mario J. Gabelli.

The Board believes that Ms. Wilson's qualifications to serve on the Board of Directors include her position and experience as the President and trustee of the Gabelli Foundation, Inc. and her previous positions and experience with the Company.

#### Recommendation

The Board recommends that shareholders vote "FOR" all of the nominees to our Board of Directors.

#### Vote Required

Nominees who receive a plurality of the votes cast will be elected to serve as Directors of the Company until the 2015 Annual Meeting or until their successors are duly elected and qualified. Abstentions and broker non-votes, if any, will have no effect on the outcome of this proposal.

Table of Contents

PROPOSAL 2  
RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

We are asking our shareholders to ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accountants. In accordance with our governance documents, the Board believes that such submission is consistent with best practices in corporate governance and is an opportunity for shareholders to provide direct feedback to the Board of Directors on an important issue of corporate governance. In the event that the shareholders do not approve the selection of Deloitte & Touche LLP, the Audit Committee will reconsider the selection of Deloitte & Touche LLP. Ultimately, however, the Audit Committee retains full discretion and will make all determinations with respect to the appointment of the independent auditors, whether or not the Company's shareholders ratify the appointment.

Recommendation

The Board recommends that shareholders vote "FOR" ratification of Deloitte & Touche LLP as the Company's independent registered public accountants for the year ended December 31, 2014.

Vote Required

Approval of Proposal 2 requires the affirmative vote of a majority of the votes cast on the proposal. Shareholders who return a signed proxy card but do not indicate how they wish to vote on Proposal 2 will be deemed to have voted FOR Proposal 2. Abstentions and broker non-votes, if any, will have no effect on the outcome of this proposal.

Table of Contents

PROPOSAL 3  
ADVISORY VOTE ON THE NAMED EXECUTIVE OFFICER COMPENSATION

In accordance with rules promulgated under the Securities Exchange Act of 1934, as amended, (the “Exchange Act”), the Company is providing shareholders with the opportunity to cast an advisory vote on named executive officer compensation for the fiscal year 2013.

The Company’s goal for its executive compensation program is to attract, motivate and retain talented persons. The Company seeks to accomplish this goal in a way that rewards performance and is aligned with its shareholders’ long-term interests. The Company believes that its executive compensation program satisfies this goal and is strongly aligned with the long-term interests of its shareholders.

The Company requests shareholders’ approval of the compensation of the Company’s named executive officers as disclosed pursuant to SEC compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis, the compensation tables and the narrative disclosures that accompany the compensation tables).

As an advisory vote, this proposal is not binding upon the Company. However, the Compensation Committee, which is responsible for designing and administering the Company’s executive compensation program, values the opinion expressed by shareholders on this proposal and will consider the outcome of the vote when making future compensation decisions for the named executive officers.

Recommendation

The Board recommends that shareholders vote “FOR” the compensation of the Company’s named executive officers.

Vote Required

Approval of Proposal 3 requires the affirmative vote of a majority of the votes cast on the proposal. Shareholders who return a signed proxy card but do not indicate how they wish to vote on Proposal 3 will be deemed to have voted FOR Proposal 3. Abstentions and broker non-votes, if any, will have no effect on the outcome of this proposal.



Table of Contents

PROPOSAL 4

ADVISORY VOTE ON BOARD CONSIDERATION OF RECLASSIFICATION OF CLASS B STOCK

As the Board requested in 2011, 2012, and 2013, holders of our Class A Stock are again asked to vote on whether the Board should consider the conversion and reclassification of all of our shares of Class B Stock into shares of Class A Stock at a ratio in the range between 1.15 to 1.25 shares of Class A Stock for each share of Class B Stock (the “Reclassification Proposal”). Our Board, however, has not determined whether to proceed with the conversion and reclassification of our Class B Stock or, if so, what an appropriate exchange ratio would be. As a matter of good corporate governance, the Board recommends that each shareholder vote on this proposal and strongly encourages each shareholder to do so, in order to provide further and updated shareholder guidance to the Board in this matter. The need for this guidance is underscored by the fact that, as described below, substantially less than a majority of our Class A Stock were voted on this matter in 2011, 2012, and 2013. The Board urges each Class A shareholder to vote on this proposal so that the Board can determine the desire of a majority of the Class A shareholders. Such guidance would be useful, for example, in the Board’s consideration of whether to have any discussions on reclassification in the future with GGCP, the Company’s largest Class B shareholder. The Board will thus carefully consider the vote on the Reclassification Proposal and recommends that all Class A shareholders vote thereon, although the Board makes no recommendation on how shareholders should vote. The Board will also consider other factors relating to the possible conversion and reclassification of our Class B Stock. If our Board does determine that it would be in the best interests of all shareholders to convert and reclassify all of our shares of Class B Stock into shares of Class A Stock, we will present the proposal for a vote of the shareholders at our next annual meeting of shareholders.

Reclassification of Class B Stock

In February 1999, we sold 6 million shares of Class A Stock at \$17.50 per share in our initial public offering. At that time, GGCP and its subsidiaries owned all 24 million shares of our Class B Stock. The holders of Class A Stock were and are entitled to one vote per share while the holders of Class B Stock were and are entitled to ten votes per share. As of March 1, 2014, Mr. Gabelli and GGCP collectively owned 74% of our common stock outstanding on a combined basis, representing 96% of the total voting power on a combined basis. If the Class B Stock had been converted into Class A Stock on March 1, 2014, using a conversion ratio of 1.15 and a conversion ratio of 1.25 shares of Class A Stock for Class B Stock, then the Class B shareholders (with GGCP and Mr. Gabelli owning 99% of the Class B Stock) would collectively own 76% and 78%, respectively, of the Company’s outstanding stock and voting power.

The Company is considering eliminating its dual class structure in which our Class A Stock has one vote per share and our Class B Stock has ten votes per share. One way of eliminating the dual class structure would be to convert and reclassify all outstanding shares of Class B Stock into shares of Class A Stock. Except for the advisory proposals previously voted on by the shareholders as described below, the Board has not considered any procedures for eliminating the Company’s dual class structure.

Purpose and Results of Vote

The Reclassification Proposal seeks to determine whether our holders of Class A Stock want the Board to consider converting and reclassifying all outstanding shares of Class B Stock into shares of Class A Stock at a ratio in the range between 1.15 to 1.25 shares of Class A Stock for each share of Class B Stock. The hypothetical conversion ratio range does not represent the Board’s view as to a fair or appropriate conversion ratio if the shares of Class B Stock were to be converted into shares of Class A Stock. The hypothetical conversion ratio range, however, does reflect the Board’s belief that the holders of the Class B Stock will not agree to convert their shares and give up their enhanced voting power unless this ratio is greater than one share of Class A Stock for each share of Class B Stock.

Before expending resources to obtain a “fairness opinion” from an independent party and evaluate various options for eliminating the dual class structure, the Board believes that it is appropriate to solicit the views of the holders of our Class A Stock. If the proposal is approved, the Board will consider whether the conversion ratio in the range between 1.15 to 1.25 is fair and may seek to retain an independent party to render a “fairness opinion.”

7

---

## Table of Contents

Even if the Reclassification Proposal is approved, there can be no assurance that the shares of Class B Stock will be converted into shares of Class A Stock at a ratio in the range between 1.15 to 1.25 or at any other ratio. If the Reclassification Proposal is approved, the Board will evaluate the proposal and, if after such evaluation the Board concludes that we should convert all of the shares of Class B Stock into shares of Class A Stock at a particular ratio, the Board will present the proposal and ratio for shareholder approval in our proxy statement for the 2015 Annual Meeting.

In light of the current stock ownership, even if all of our shares of Class B Stock were converted into shares of Class A Stock, Mario J. Gabelli and GGCP would continue to own a majority of our shares of common stock outstanding and a majority of the total voting power.

At a special meeting of our shareholders held on November 30, 2007, the shareholders of the Class A Stock approved a proposal by 97.7% of the votes cast that our Board of Directors should consider the conversion and reclassification on the Company's Class B Stock to Class A Stock at a ratio of 1.15 shares of Class A Stock for each share of Class B Stock. In 2008, our Board, after preliminary discussions with representatives of the Board of GGCP, elected to defer its decision on converting and reclassifying all of the Class B Stock into shares of the Class A Stock. Subsequently, at the annual meeting of shareholders held on May 6, 2011, the Class A shareholders approved an advisory proposal on whether the Board should consider reclassification, at a ratio of 1.10 to 1.20 shares of Class A Stock for Class B Stock, by 86% of the votes cast. However, the total votes cast on the advisory Reclassification Proposal in 2011 constituted well under a majority (36.3%) of the Class A Stock then outstanding. At the annual meeting of shareholders held on May 1, 2012, the Class A shareholders approved an advisory proposal on whether the Board should consider reclassification, at a ratio of 1.15 to 1.25 shares of Class A Stock for Class B Stock, by 85% of the votes cast. However, as in 2011, the total votes cast on the advisory Reclassification Proposal in 2012 were well under a majority (39%) of the Class A Stock then outstanding. At the annual meeting of shareholders held on May 7, 2013, the Class A shareholders approved an advisory proposal on whether the Board should consider reclassification, at a ratio of 1.15 to 1.25 shares of Class A Stock for Class B Stock, by 81% of the votes cast. However, as in 2011 and 2012, the total votes cast on the advisory Reclassification Proposal in 2013 were again less than a majority (41%) of the Class A Stock then outstanding. The Board has continued to consider reclassification but has determined that, in light of the relatively low percentages of Class A Stock voted on the proposal in 2011, 2012, and 2013, among other things, it would be appropriate and helpful to the Board to ask, encourage and recommend that the Class A shareholders vote on reclassification at the 2014 Annual Meeting.

## Recommendation

The Board urges Class A shareholders to vote on this proposal, although the Board does not make any recommendation on how shareholders should vote with respect to this proposal.

## Vote Required

Approval of Proposal 4 requires the affirmative vote of a majority of the votes cast by Class A shareholders. Shareholders who return a signed proxy card but do not indicate how they wish to vote on Proposal 4 will be deemed to have abstained on Proposal 4. Abstentions and broker non-votes, if any, will have no effect on the outcome of this proposal.

## CORPORATE GOVERNANCE

GAMCO continually strives to maintain the highest standards of ethical conduct: reporting results with accuracy and transparency and maintaining full compliance with the laws, rules and regulations that govern the Company's businesses. The Company is active in ensuring that its governance practices continue to serve the interests of its

shareholders and remain at the leading edge of best practices

#### Determination of Director Independence

The Board of Directors has established guidelines which it uses in determining director independence and that are based on the director independence standards of the New York Stock Exchange. A copy of these guidelines can be found as Exhibit A. These guidelines are also attached to the Board's Corporate Governance Guidelines, which are available at the following website: [http://www.gabelli.com/corporate/corp\\_gov.html](http://www.gabelli.com/corporate/corp_gov.html). A copy of these guidelines may also be obtained upon request from our Secretary.

Table of Contents

In making its determination of independence with respect to Mr. Prather, the Board considered that the investment advisory subsidiaries of the Company collectively own on behalf of their investment advisory clients as of March 1, 2014 approximately 2.19% of the Company's Class A Stock and 3.44% of the Common Stock of Gray Television, Inc. ("Gray"). This ownership represents approximately 2.79% of the total voting power of Gray. Mr. Prather served as President and Chief Operating Officer and a director of Gray. Furthermore, an investment advisory affiliate of the Company nominated Mr. Prather as a director of Gaylord Entertainment Company ("Gaylord") in 2009, and Mr. Prather was elected as a director of Gaylord on May 7, 2009. Gaylord subsequently converted into a real estate investment trust named Ryman Hospitality Properties, Inc. ("Ryman") in October 2012, and Mr. Prather remains on Ryman's board of directors. The Company collectively owns on behalf of their investment advisory clients approximately 11.54% of Ryman's Common Stock representing approximately 11.54% of the total voting power of Ryman as of March 1, 2014. In addition, an investment advisory affiliate of the Company nominated Mr. Prather as a director of Diebold in 2013, and Mr. Prather was elected as a director of Diebold on April 25, 2013. The Company collectively owns on behalf of their investment advisory clients approximately 10.33% of Diebold's Common Stock representing approximately 10.33% of the total voting power of Diebold as of March 1, 2014. From time to time, investment advisory affiliates of the Company have nominated and may continue to nominate Mr. Prather to the Boards of public companies, such as Myers Industries, Inc. ("Myers").

In making its determination of independence with respect to Mr. Bready, the Board considered that from time to time, investment advisory affiliates of the Company have nominated and may continue to nominate Mr. Bready to the boards of directors of companies such as Myers.

The Company's affiliates may also nominate other directors to the Boards of companies that are beneficially owned on behalf of its clients. The Board further considered the difficulty the Company would encounter in attempting to unilaterally affect the management of Gray, Ryman, Myers or Diebold through the use of its voting power.

In making its determination of independence with respect to Mr. Avansino, the Board considered that he has a daughter who works for the Company in a non-executive role, as described under "Certain Relationships and Related Transactions". In addition, the Board considered that he is the Chairman and the President of Miami Oil Producers, Inc. ("Miami Oil"), the landlord of a lease that was entered into in 1999 with the Corporation for office space in Nevada. The Corporation paid \$38,856, \$38,856, and \$38,427 in rent to Miami Oil in 2011, 2012 and 2013, respectively. Mr. Avansino is not a shareholder of Miami Oil.

With respect to these relationships, the Board considered Messrs. Avansino's, Bready's and Prather's lack of economic dependence on the Company and other personal attributes that need to be possessed by independent-minded directors. Based on these guidelines and considerations, the Board concluded that the following directors were independent and determined that none of them had a material relationship with us which would impair his ability to act as an independent director: Messrs. Artzt, Avansino, Bready, McGrath and Prather.

Table of Contents

The table below sets forth certain information regarding the nominees to the Board of Directors and Committees on which they serve.

Name	Audit Committee	Governance Committee	Compensation Committee	Nominating Committee
Mario J. Gabelli				X
Edwin L. Artzt	X			
Raymond C. Avansino, Jr.	X	X		
Richard L. Bready	X	X (Chair)	X	
Eugene R. McGrath	X	X		
Robert S. Prather, Jr.	X (Chair)		X (Chair)	
Elisa M. Wilson				X (Chair)

#### The Board's Role in the Oversight of Risk

The Board's oversight of risk is administered directly through the Board, as a whole, or through its Committees. Various reports and presentations regarding risk management are presented to the Board including the procedures that the Company has adopted to identify and manage risk. Each of the Board's Committees addresses risks that fall within the Committee's area of responsibility. For example, the Audit Committee is responsible for "overseeing the quality and objectivity of GAMCO's financial statements and the independent audit thereof." The Audit Committee reserves time at each of its quarterly meetings to meet with the Company's independent registered public accounting firm outside of the presence of the Company's management. The Director of Internal Audit also is significantly involved in risk management evaluation and designs the Company's internal audit programs to take account of risk evaluation and work in conjunction with the Chief Financial Officer. The Director of Internal Audit reports directly to the Company's Audit Committee.

#### Relationship of Compensation and Risk

The Compensation Committee of the Board of Directors works with the Chief Executive Officer in reviewing the significant elements of the Company's compensation policies and programs for all staff. They evaluate the intended behaviors each program is designed to incentivize to ensure that such policies and programs are appropriate for the Company.

#### The Board of Directors and Committees

During 2013, there were six meetings of the Board of Directors. Our Board of Directors has an Audit Committee, a Compensation Committee, a Governance Committee and a Nominating Committee. We are deemed to be a "controlled company" as defined by the corporate governance standards of the New York Stock Exchange by virtue of the fact that GGCP holds more than 50% of the voting power of the Company. As a result, we are exempt from the corporate governance standards of the New York Stock Exchange requiring that a majority of the Board of Directors be independent and that all members of the Governance, Nominating and Compensation Committees be independent. While the Company is a controlled Company, the Board nevertheless is comprised of a majority of independent directors.

The Board believes that the most effective leadership structure is for the Company's Chief Executive Officer to serve as Chairman given that Mr. Gabelli is the controlling shareholder of the Company. By having Mr. Gabelli serve as the Chief Executive Officer and as Chairman, the Board believes that it enables Mr. Gabelli to ensure that the Board's agenda responds to strategic challenges, that the Board is presented with information required for it to fulfill its responsibilities, and that Board meetings are as productive and effective as possible.

## Table of Contents

Our non-management directors meet, without any management directors or employees present, immediately after our regular quarterly Board meetings. At least once each year, our independent directors meet in a separate executive session. Mr. Prather serves as lead independent director and chairs the meetings of our non-management and independent directors.

The Audit Committee regularly meets with our independent registered public accounting firm to ensure that satisfactory accounting procedures are being followed and that internal accounting controls are adequate, reviews fees charged by the independent registered public accounting firm and selects our independent registered public accounting firm. Messrs. Artzt, Avansino, Bready, McGrath and Prather, each of whom is an independent director as defined by the corporate governance standards of the New York Stock Exchange and the Company's guidelines as set forth in Exhibit A, are members of the Audit Committee. The Board has determined that Mr. Prather meets the standards of an "audit committee financial expert," as defined by the applicable securities regulations. The Audit Committee met five times during 2013. A copy of the Audit Committee's charter is posted on our website at [http://www.gabelli.com/corporate/corp\\_gov.html](http://www.gabelli.com/corporate/corp_gov.html). A shareholder may also obtain a copy of the charter upon request from our Secretary.

The Compensation Committee reviews the amounts paid to the Chief Executive Officer for compliance with the terms of his employment agreement and generally reviews benefits and compensation for the other executive officers. It also administers our Stock Award and Incentive Plan. Messrs. Bready and Prather, each of whom is an independent director, are the members of the Compensation Committee. The Compensation Committee does not have a formal policy regarding delegation of its authority. The Compensation Committee met three times during 2013. A copy of the Compensation Committee's charter is posted on our website at [http://www.gabelli.com/corporate/corp\\_gov.html](http://www.gabelli.com/corporate/corp_gov.html). A shareholder may also obtain a copy of the charter upon request from our Secretary.

The Governance Committee advises the Board on governance policies and procedures. Messrs. Avansino, Bready and McGrath, each of whom is an independent director, are the members of the Governance Committee. The Governance Committee held a meeting during February 2014 and did not meet during 2013. A copy of the Governance Committee's charter is posted on our website at [http://www.gabelli.com/corporate/corp\\_gov.html](http://www.gabelli.com/corporate/corp_gov.html). A shareholder may also obtain a copy of the charter upon request from our Secretary.

The Nominating Committee advises the Board of Directors on the selection and nomination of individuals to serve as directors of GAMCO. Nominations for director, including nominations for director submitted to the committee by shareholders, are evaluated according to our needs and the nominee's knowledge, experience and background. Mario Gabelli and Elisa Wilson are the members of the Nominating Committee. Neither Mr. Gabelli nor Ms. Wilson is an independent director as defined by the corporate governance standards of the Company. The Nominating Committee met once in 2013. A copy of the Nominating Committee's charter is posted on our website at [http://www.gabelli.com/corporate/corp\\_gov.html](http://www.gabelli.com/corporate/corp_gov.html). A shareholder may also obtain a copy of the charter upon request from our Secretary. The Nominating Committee has adopted the following policy regarding diversity: When identifying nominees as directors, the Committee will have a bias to have diverse representation of candidates who serve or have served as chief executive officers or presidents of public or private corporations or entities that are either for-profit or not-for-profit. In accordance with its charter, the Nominating Committee will review the suitability for continued service as a director of each Board member when his or her term expires and when he or she has a change in status, including but not limited to an employment change, and recommend whether or not the director should be re-nominated. The Nominating Committee will review annually with the Board the composition of the Board as a whole and recommend, if necessary, measures to be taken.

Consideration of Director Candidates Recommended by Shareholders



Except as set forth in the Company's Amended and Restated By-Laws, the Nominating Committee does not have a formal policy regarding the recommendation of director candidates by shareholders. The Board of Directors believes it is appropriate not to have such a policy because GGCP holds the majority of the voting power. Nevertheless, the Nominating Committee will consider appropriate candidates recommended by shareholders. Under the process described below, a shareholder wishing to submit such a recommendation should send a letter to our Secretary at One Corporate Center, Rye, NY 10580 for receipt between January 7, 2015 and February 6, 2015. The mailing envelope must contain a clear notation that the enclosed letter is a "Director Nominee Recommendation." The letter must identify the author as a shareholder and provide a brief summary of the candidate's qualifications and otherwise comply with the requirements of our Amended and Restated By-Laws. At a minimum, candidates recommended for election to the Board of Directors must meet the independence standards of the New York Stock Exchange as well as any criteria used by the Nominating Committee. The Nominating Committee will consider and evaluate candidates recommended by shareholders in the same manner as it considers candidates from other sources. Acceptance of a recommendation does not imply that the committee will ultimately nominate the recommended candidate.

Table of Contents

## Process for the Consideration of Director Candidates Nominated by Shareholders and of Business Proposed by Shareholders

GAMCO's Amended and Restated By-Laws set forth the processes and advance notice procedures that shareholders of GAMCO must follow, and specifies additional information that shareholders of GAMCO must provide, when proposing director nominations at any annual or special meeting of GAMCO's shareholders or other business to be considered at an annual meeting of shareholders. Generally, the By-Laws provide that advance notice of shareholder nominations or proposals of business be provided to GAMCO not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the preceding annual meeting of shareholders. For the 2015 Annual Meeting, such notice of nomination or other business must be received at GAMCO's principal executive offices between January 7, 2015 and February 6, 2015.

Article III, Paragraph 6 of GAMCO's Amended and Restated By-Laws sets out the procedures a shareholder must follow in order to nominate a candidate for Board membership. For these requirements, please refer to the Amended and Restated By-Laws as of November 20, 2013, filed with the Securities and Exchange Commission on November 22, 2013, as Exhibit 3.2 to a Current Report on Form 8-K. The Amended and Restated By-Laws are also available in the "Investor Relations" section of the Company's website.

## Director Attendance

During 2013, all of the directors attended at least 75% of the meetings of the Board and the Board committees of which he or she was a member. All of our Directors attended our 2013 annual meeting of shareholders. We do not have a policy regarding directors' attendance at our annual meetings.

## Compensation of Directors

Mr. Gabelli receives no compensation for serving as a director of the Company. Effective July 1, 2010, all non-executive directors other than Mr. Gabelli receive annual cash retainers and meeting fees as follows:

Board Member	\$60,000
Audit Committee Chairman	\$20,000
C o m p e n s a t i o n C o m m i t t e e Chairman	e\$12,000
G o v e r n a n c e C o m m i t t e e Chairman	e\$12,000
Attendance per Board Meeting	\$10,000
A t t e n d a n c e p e r A u d i t C o m m i t t e e Meeting	e\$4,000
Attendance per Compensation and Governance Committees Meeting	\$3,000

Director Compensation Table for 2013. The following table sets forth fees, awards, and other compensation paid to or earned by our non-executive directors in 2013.

Name	Fees Earned or Paid in Cash (\$)	Restricted Stock Awards (\$) (a)	Option Awards (\$) (b)	All Other Compensation (\$)	Total (\$)
E d w i n L . Artzt	130,000	-0-	-0-	-0-	130,000

Edgar Filing: GAMCO INVESTORS, INC. ET AL - Form PRE 14A

Raymond C. Avansino, Jr	140,000	-0-	-0-	-0-	140,000
R i c h a r d L .					
Bready	164,000	-0-	-0-	-0-	164,000
E u g e n e					
McGrath..	140,000	-0-	-0-	-0-	140,000
R o b e r t S . P r a t h e r ,					
Jr.	180,000	-0-	-0-	-0-	180,000
E l i s a M .					
Wilson	120,000	-0-	-0-	-0-	120,000

(a) No current directors at December 31, 2013 had been granted any restricted stock awards.

(b) For those current directors at December 31, 2013, the options outstanding on that date were as follows:

- Mr. Artzt had options granted in May 2004 that are currently exercisable to purchase 10,000 shares of Class A Stock outstanding at an exercise price of \$39.65.
- Mr. Avansino had options granted in May 2008 that are currently exercisable to purchase 6,000 shares of Class A Stock outstanding at an exercise price of \$51.74. In 2002, Mr. Avansino had been granted options to purchase 10,000 shares of Class A Stock, which he subsequently exercised, for his service as a director of the Company from 2000 through 2006.
- Mr. Bready had options granted in May 2006 that are currently exercisable to purchase 10,000 shares of Class A Stock outstanding at an exercise price of \$39.55.
- Mr. McGrath had options granted in February 2007 that are currently exercisable to purchase 10,000 shares of Class A Stock outstanding at an exercise price of \$39.90.
- Mr. Prather had options granted in May 2004 that are currently exercisable to purchase 10,000 shares of Class A Stock outstanding at an exercise price of \$39.65.
- Ms. Wilson had options granted in February 2011 to purchase 10,000 shares of Class A Stock outstanding at an exercise price of \$45.77, 75% of which are currently exercisable and 25% of which will become exercisable in February 2015.

## Table of Contents

All of the stock options held by our directors were granted at 100% of fair market value of the Class A Stock calculated on the date of grant and have a ten-year term.

### Communications with the Board of Directors

Our Board of Directors has established a process for shareholders and other interested parties to send communications to the Board of Directors. Shareholders or other interested parties who wish to communicate with the Board of Directors, the non-management or independent directors, or a particular director may send a letter to our Secretary at GAMCO Investors, Inc., One Corporate Center, Rye, NY 10580-1422. The mailing envelope must contain a clear notation indicating that the enclosed letter is a “Board Communication” or “Director Communication.” All such letters must identify the author and clearly state whether the intended recipients are all members of the Board or just certain specified individual directors. The Secretary will make copies of all such letters and circulate them to the appropriate director or directors.

### Code of Business Conduct

We have adopted a Code of Business Conduct (the “Code of Conduct”) that applies to all of our officers, directors and staff members with additional requirements for our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code of Conduct is posted on our website at [http://www.gabelli.com/corporate/corp\\_gov.html](http://www.gabelli.com/corporate/corp_gov.html). Any shareholder may also obtain a copy of the Code of Conduct upon request. Shareholders may address a written request for a printed copy of the Code of Conduct to our Secretary at GAMCO Investors, Inc., One Corporate Center, Rye, New York 10580-1422. We intend to satisfy the disclosure requirement regarding any amendment to, or a waiver of, a provision of the Code of Conduct by posting such information on our website.

### Transactions with Related Persons

Our Board has adopted written procedures governing the review, approval or ratification of any transactions with related persons required to be reported in this proxy statement. The procedures require that all related party transactions, other than certain pre-approved categories of transactions, be reviewed and approved by our Governance Committee or the Board of Directors. Under the procedures, directors may not participate in any discussion or approval by the Board of related party transactions in which they or a member of their immediate family is a related person, except that they shall provide information to the Board concerning the transaction. Only transactions that are found to be in the best interests of the Company will be approved.

Currently, we have a number of policies and procedures addressing conflicts of interest. Our Code of Conduct addresses the responsibilities of our officers, directors and staff to disclose conflicts of interest to our Legal/Compliance Department, which determines whether the matter constitutes a related party transaction that should be reviewed by our Governance Committee or Board of Directors. Generally, matters involving employer-employee relationships including compensation and benefits, ongoing arrangements that existed prior to our initial public offering and financial service relationships including investments in our funds are not presented for review, approval or ratification by our Governance Committee or Board of Directors.

Furthermore, our Amended and Restated Certificate of Incorporation provides that no contract, agreement, arrangement or transaction, or any amendment, modification or termination thereof, or any waiver of any right thereunder, (each, a “Transaction”) between GAMCO and:

- (i) Mario J. Gabelli, any member of his immediate family who is at the time an officer or director of GAMCO and any entity in which one or more of the foregoing beneficially own a controlling interest of the outstanding voting

securities or comparable interests (each, a “Gabelli”),

- (ii) any customer or supplier,
- (iii) any entity in which a director of GAMCO has a financial interest (a “Related Entity”), or
- (iv) one or more of the directors or officers of GAMCO or any Related Entity;

## Table of Contents

will be voidable solely because any of the persons or entities listed in (i) through (iv) above are parties thereto, if the standard specified below is satisfied.

Further, no Transaction will be voidable solely because any such directors or officers are present at or participate in the meeting of the Board of Directors or committee thereof that authorizes the Transaction or because their votes are counted for such purpose, if the standard specified below is satisfied. That standard will be satisfied, and such Gabelli, the Related Entity, and the directors and officers of GAMCO or the Related Entity (as applicable) will be deemed to have acted reasonably and in good faith (to the extent such standard is applicable to such person's conduct) and fully to have satisfied any duties of loyalty and fiduciary duties they may have to GAMCO and its shareholders with respect to such Transaction, if any of the following four requirements are met:

- (i) the material facts as to the relationship or interest and as to the Transaction are disclosed or known to the Board of Directors or the committee thereof that authorizes the Transaction, and the Board of Directors or such committee in good faith approves the Transaction by the affirmative vote of a majority of the disinterested directors on the Board of Directors or such committee, even if the disinterested directors are less than a quorum;
- (ii) the material facts as to the relationship or interest and as to the Transaction are disclosed or known to the holders of Voting Stock entitled to vote thereon, and the Transaction is specifically approved by vote of the holders of a majority of the voting power of the then outstanding Voting Stock not owned by such Gabelli or such Related Entity, voting together as a single class;
- (iii) the Transaction is effected pursuant to guidelines that are in good faith approved by a majority of the disinterested directors on the Board of Directors or the applicable committee thereof or by vote of the holders of a majority of the then outstanding voting Stock not owned by such Gabelli or such Related Entity, voting together as a single class; or
- (iv) the Transaction is fair to GAMCO as of the time it is approved by the Board of Directors, a committee thereof or the shareholders of GAMCO.

Our Amended and Restated Certificate of Incorporation also provides that any such Transaction authorized, approved, or effected, and each of such guidelines so authorized or approved, as described in (i), (ii) or (iii) above, will be deemed to be entirely fair to GAMCO and its shareholders, except that, if such authorization or approval is not obtained, or such Transaction is not so effected, no presumption will arise that such Transaction or guideline is not fair to GAMCO and its shareholders. In addition, our Amended and Restated Certificate of Incorporation provides that a Gabelli will not be liable to GAMCO or its shareholders for breach of any fiduciary duty that a Gabelli may have as a shareholder of GAMCO by reason of the fact that a Gabelli takes any action in connection with any transaction between such Gabelli and GAMCO. For purposes of these provisions, interests in an entity that are not equity or ownership interests or that constitute less than 10% of the equity or ownership interests of such entity will not be considered to confer a financial interest on any person who beneficially owns such interests.

A description of certain related party transactions appears under the heading "Certain Relationships and Related Transactions" on pages 24-27 of this proxy statement.

## Compensation Committee Interlocks and Insider Participation

Our Compensation Committee consists of Messrs. Bready and Prather. Neither of these individuals has ever been an officer or employee of the Company. During 2013, none of our executive officers served on the board of directors or compensation committee of any entity that employed any member of our Compensation Committee or served on the compensation committee of any entity that employed any member of our Board of Directors.



Table of Contents

## INFORMATION REGARDING EXECUTIVE OFFICERS

As of March 31, 2014, the named executive officers of the Company are as follows (ages are as of March 31, 2014):

Name	Age	Position
Mario J. Gabelli	71	Chairman, Chief Executive Officer and Chief Investment Officer – Value Portfolios
Douglas R. Jamieson	59	President and Chief Operating Officer
Robert S. Zuccaro	57	Executive Vice President and Chief Financial Officer
Agnes Mullady	55	Senior Vice President
Bruce N. Alpert	62	Senior Vice President
Henry G. Van der Eb	68	Senior Vice President

Biographical information for Mr. Gabelli appears above under “Election of Directors – The Nominees”. Brief biographical sketches of the other executive officers listed above are set forth below.

Douglas R. Jamieson has served as President and Chief Operating Officer of the Company since August 2004. He has served as Executive Vice President and Chief Operating Officer of GAMCO Asset Management Inc. from 1986 to 2004, as President since 2004 and as a director of GAMCO Asset Management Inc. from 1991 to the present. Mr. Jamieson also serves as President and a director of Gabelli Securities, Inc. (a majority-owned subsidiary of the Company) and GAMCO Asset Management (UK) Ltd. (a wholly-owned subsidiary of the Company). Mr. Jamieson served on the Board of Teton from 2005 through 2010. Mr. Jamieson also serves as a director of several Investment Partnerships that are managed by Gabelli Securities, Inc. Mr. Jamieson was a securities analyst with Gabelli & Company, Inc. (now known as G.research, Inc.) one of the Company’s broker-dealer subsidiaries, from 1981 to 1986. He was a director of GGCP from December 2005 through December 2009, and served as an advisor to the GGCP board through 2010.

Robert S. Zuccaro has served as the Executive Vice President and Chief Financial Officer since February 2011. Mr. Zuccaro was the Chief Financial Officer of Commonwealth Management Partners, LLLP, a privately-held investment management company, from March 2009 through February 2011. Mr. Zuccaro serves as the Chief Financial Officer of a number of subsidiaries of GAMCO. Previously, Mr. Zuccaro was Executive Vice President and Chief Accounting Officer with National Financial Partners Corp. from 2003 through 2008 and the Chief Financial Officer of GAMCO from 1998 to 2003. Prior to joining GAMCO in 1998, Mr. Zuccaro was the Vice President and Treasurer of Cybex International, where he worked for thirteen years. Mr. Zuccaro was previously with Shearson Lehman Bros and began his career with Ernst & Young. Mr. Zuccaro served on the Board of Teton and ICTC Group, Inc. from 2010 to 2013. Mr. Zuccaro has been the Chief Financial Officer of Teton since February 2011. Mr. Zuccaro also serves as a director of several Investment Partnerships that are managed by Gabelli Securities, Inc. Mr. Zuccaro is a Certified Public Accountant.

Agnes Mullady has served as a Senior Vice President of the Company since 2008, as the President and Chief Operating Officer of the Open End Fund Division of Gabelli Funds, LLC since 2011, as a Vice President of Gabelli Funds, LLC since 2006, and since 2011, as Chief Executive Officer of G.distributors, LLC, one of the Company’s broker-dealer subsidiaries. Ms. Mullady also serves as an officer of all of the Gabelli/GAMCO Funds. Ms. Mullady served as the President of the Closed-End Fund Division of Gabelli Funds, LLC from 2007 through 2010. In addition, she oversees the financial reporting of the affiliated open and closed-end funds for the Company. Prior to joining the Company in December 2005, Ms. Mullady was a Senior Vice President at U.S. Trust Company and Treasurer and Chief Financial Officer of the Excelsior Funds from 2004 through 2005.



Bruce N. Alpert has served as Senior Vice President of the Company since May 2008. Mr. Alpert served as Vice President and Chief Operating Officer of Gabelli Funds, LLC or its predecessor from 1988 to 1999, and became Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC in 1999. Mr. Alpert is an officer of all of the Gabelli/GAMCO Funds. Mr. Alpert also served as a director of Teton from 1998 through May 2012, and was its President from 1998 through 2008 and Chairman from 2008 through 2010. Since November 2011, he has been serving as the Chief Compliance Officer of Gabelli Funds, LLC. From 1986 until June 1988, he worked at the InterCapital Division of Dean Witter as Vice President and Treasurer of the mutual funds sponsored by Dean Witter. From 1983 through 1986, he worked at Smith Barney Harris Upham & Co. ("Smith Barney") as Vice President in the Financial Services Division and as Vice President and Treasurer of the mutual funds sponsored by Smith Barney. Prior to Smith Barney, Mr. Alpert was an Audit Manager and Specialist at Price Waterhouse in the Investment Company Industry Services Group, where he was employed from 1975 through 1983. Mr. Alpert is a Certified Public Accountant.

Henry G. Van der Eb has served as Senior Vice President of the Company since August 2004 and is a senior advisor to management in all aspects of our business. He has served as a Senior Vice President with Gabelli Funds, LLC and GAMCO Asset Management Inc. since October 1999, when he joined the Company after managing his privately held investment advisory firm (Mathers and Company, Inc.), which was acquired by the Company in October 1999. Mr. Van der Eb is a portfolio manager for the Company and is a Chartered Financial Analyst.

Table of Contents

COMPENSATION OF EXECUTIVE OFFICERS

COMPENSATION DISCUSSION AND ANALYSIS

The investment management and securities industries are highly competitive, and experienced professionals have significant career mobility. We believe that the ability to attract, retain and provide appropriate incentives for the highest quality professional personnel is important for maintaining our competitive position in the investment management and securities industries, as well as for providing for the long-term success of GAMCO.

Most of GAMCO's compensation expense is incentive-based variable compensation that will increase or decrease based on the revenues from our assets under management. Since 1977, we have generally paid out up to 40% of the revenues or net operating contribution to the marketing staff and portfolio managers who introduce, service or generate our separate account and mutual fund business, with payments involving the separate accounts being typically based on revenues, and payments involving the mutual funds being typically based on net operating contribution. We believe that the variable compensation formulas in place for our marketing staff and portfolio managers provide significant incentives for the growth of our business and a cushion during periods of market decline.

Our administrative, operations, legal and finance personnel generally receive the majority of their compensation in the form of base salaries and annual bonuses. We believe that GAMCO must pay competitive levels of cash compensation. We also believe that appropriate equity incentive programs may motivate and retain our professional personnel but that these programs must always be consistent with shareholder interests.

The Compensation Committee and the Board of Directors have continued to consider the results of the shareholders' non-binding vote in 2011 on our "say-on-pay" proposal. A substantial majority (over 99%) of the shares voted on our "say-on-pay" proposal approved the Company's executive compensation as described in our Compensation Discussion and Analysis and the accompanying tabular disclosures in the 2011 proxy statement. As a result of this favorable vote, it was determined that no changes were necessary to our executive compensation program's design and administration. The Board believes that this continues to be the case. Because a majority of votes cast at the 2011 annual meeting of shareholders were in favor of having a "say-on-pay" vote every three years, the Board has adopted a triennial frequency policy. Therefore, Proposal 3, a "say-on-pay" vote will be held at the 2014 Annual Meeting.

Compensation of the Named Executive Officers

The compensation for our named executives (other than for Mr. Gabelli, whose compensation is described separately below under the section entitled "Chief Executive Officer Compensation") is composed of base salary, annual bonus compensation, equity compensation, incentive-based variable compensation and employee benefits.

- Base Salary

Mr. Gabelli recommends to the Compensation Committee the amounts of the base salaries for our named executives, other than Mr. Gabelli himself, which amounts are subject to the Committee's review and approval, and are not at the discretion of the named executives. Mr. Gabelli received no base salary in 2013.

- Annual Bonus

Mr. Gabelli recommends to the Compensation Committee the amounts of the annual bonuses for our named executives, other than Mr. Gabelli himself, which amounts are subject to the Committee's review and approval. The factors considered by Mr. Gabelli in making annual bonus recommendations are typically subjective, such as perceptions of the named executives' experience, performance and responsibilities. His recommendations may be but

are not specifically tied to the performance of client assets, objectives set for each executive, the firm as a whole or the market value of our stock.

A portion of the annual bonuses for our named executives may be deferred for approximately 15 to 18 months. The terms of the deferrals are recommended by Mr. Gabelli to the Compensation Committee, which terms are subject to the Committee's review and approval, and are not at the discretion of the named executives. The deferrals typically earn a return equal to the greater of the return on our U.S. Treasury money market fund or the return of one of our investment partnerships after payment of the management fee but before payment of any incentive fee. In order to receive the deferred bonus payment, the named executive must be employed by the Company at the time of payment. There were no deferrals in 2013.

Table of Contents

• Equity Compensation

Our executive compensation program may also include stock option or restricted stock awards (sometimes referred to hereinafter as “RSAs”), which are intended to provide additional incentives to increase shareholder value as well as retain qualified individuals. Mr. Gabelli makes recommendations to the Compensation Committee for the grant of stock awards to corporate team members. Individual stock option award levels in past years and individual restricted stock award levels in 2013 and in past years were based upon a subjective evaluation of each named executive’s overall past and expected future contribution. No formula was used to determine the timing or amount of option awards and RSAs for any individual.

• Variable Compensation

To the extent that they have the proper regulatory registrations, all of our staff, including the named executives, are eligible to receive incentive-based variable compensation for attracting or providing client service to separate accounts, shareholders of the Gabelli/GAMCO Funds or investors in our other products. Mr. Jamieson, who provides client service to a significant number of separate accounts, received the majority of his total 2013 compensation from variable compensation payments, as described below in note (d) to the Summary Compensation Table.

In the course of fulfilling Mr. Gabelli’s duties, the Company at times brings on certain individuals to aid him. When this occurs, the Company offsets those costs by a reduction in compensation payable to Mr. Gabelli. In 2013, this amounted to \$\_\_\_\_\_. Of this amount, \$\_\_\_\_\_ was allocated to Mr. Jamieson for his service as President and Chief Operating Officer, \$\_\_\_\_\_ was allocated to Mr. Zuccaro for his service as Executive Vice President and Chief Financial Officer, \$\_\_\_\_\_ was allocated to Ms. Mullady for her service as Senior Vice President, \$\_\_\_\_\_ was allocated to Mr. Alpert for his service as Senior Vice President, and \$\_\_\_\_\_ was allocated to Mr. Van der Eb for his service as Senior Vice President. Because these compensation arrangements with respect to covered employees involve variable incentive-based fees, the \$1 million deductibility limit of Section 162(m) of the Internal Revenue Code is generally not expected to apply to the payments.

Chief Executive Officer Compensation

Mr. Gabelli received no base salary, no bonus, no stock options and no restricted stock awards in 2013, as has been the case for each year since our initial public offering in 1999. All of the compensation paid to Mr. Gabelli in 2013 was incentive-based variable compensation that was paid in accordance with Mr. Gabelli’s 2008 Employment Agreement, which revised his 1999 employment agreement as described under the heading “Employment Agreements” below.

Compensation Consultants

The Company has not retained compensation consultants to assist in determining or recommending the amount or form of executive and director compensation during its last fiscal year.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis appearing above. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis section be included in this proxy statement, which section is also incorporated by reference in GAMCO’s Annual Report on Form 10-K.

COMPENSATION COMMITTEE

Robert S. Prather, Jr. (Chairman)  
Richard L. Bready

Table of Contents

## SUMMARY COMPENSATION TABLE FOR 2013

The following table sets forth the cash and non-cash compensation for the fiscal years ended 2013, 2012 and 2011, respectively, paid to or earned by (i) our principal executive officer, (ii) our principal financial officer, and (iii) the other three most highly compensated executive officers of the Company who were serving as of the end of the 2013 fiscal year. As used herein, the term “named executives” means all persons listed in the Summary Compensation Table.

Name and Principal Position	Year	Base Salary (\$)		Bonus (\$)		Stock Awards (f) (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Mario J. Gabelli	2013								
Chairman of the Board,	2012	-0-	(a)	-0-	(b)	-0-	-0-	68,970,486 (c)	68,970,486
Chief Executive Officer	2011	-0-	(a)	-0-	(b)	-0-	-0-	61,693,390 (c)	61,693,390
and Chief Investment Officer - Value Portfolios									
Douglas R. Jamieson	2013								
President and Chief Operating Officer	2012	300,000		300,000		-0-	-0-	3,451,586 (d)	4,051,586
	2011	300,000		-0-		-0-	-0-	3,670,081 (d)	3,970,081
Robert S. Zuccaro	2013								
Executive Vice President and Chief Financial Officer	2012	350,000		300,000		160,913	-0-	254,000 (e)	1,064,913
	2011	311,859 (e)		-0-		151,041	-0-	500,000 (e)	962,900
Agnes Mullady	2013								
Senior Vice President, and President and Chief Operating Officer of the Open End Fund Division	2012	300,000		300,000		86,980	-0-	200,000 (g)	886,980
	2011	300,000		400,000		97,700	-0-	-0-	797,700

Bruce Alpert	2013								
Senior Vice									
President,	2012	300,000	150,000	-0-	-0-	63,084	(h)	513,084	
and Executive	2011	300,000	200,000	48,850	-0-	8,195	(h)	557,045	
Vice									
President, Chief									
Operating									
Officer,									
and Acting									
Chief Compliance									
Officer									
of Gabelli Funds									
LLC									

Henry G. Van der	2013								
Eb									
Senior Vice									
President	2012	300,000	75,000	-0-	-0-	172,295	(i)	547,295	
	2011	300,000	125,000	73,275	-0-	143,754	(i)	642,029	

Table of Contents

- (a) Mr. Gabelli received no fixed salary. Refer to footnote (c).
- (b) Mr. Gabelli received no bonus. Refer to footnote (c).
- (c) Mr. Gabelli's remuneration for the 2013, 2012 and 2011 fiscal years was comprised of the following:

	Incentive Management Fee as CEO and Other of GAMCO* (\$)	Portfolio Manager and Other Variable Remuneration (\$)	Perquisites (\$)	Total Remuneration (\$)
2013				
2012	12,308,223	56,662,263	-0-	68,970,486
2011	9,410,445	52,282,945	-0-	61,693,390

\* As described in the Compensation Discussion and Analysis herein.

The amounts set forth under the heading "Incentive Management Fee as CEO and Other of GAMCO" consist of: \$\_\_\_\_\_ for 2013 (after reallocation to Mr. Jamieson of \$\_\_\_\_\_, to Mr. Zuccaro of \$\_\_\_\_\_, to Ms. Mullady of \$\_\_\_\_\_, to Mr. Alpert of \$\_\_\_\_\_, to Mr. Van der Eb of \$\_\_\_\_\_, to other staff members of \$\_\_\_\_\_, and after a waiver of his receipt of \$\_\_\_\_\_); \$12,308,223 for 2012 (after reallocation to Mr. Zuccaro of \$250,000, to Ms. Mullady of \$200,000, to Mr. Alpert of \$50,000, and to other staff members of \$210,000); and \$9,410,445 for 2011 (after reallocation to Mr. Zuccaro of \$500,000, to other staff members of \$10,000, and after a waiver of his receipt of \$2,350,000). The amounts set forth under the heading "Portfolio Manager and Other Variable Remuneration" consist of: (1) \$\_\_\_\_\_, \$15,789,602, and \$16,341,682, for 2013, 2012 and 2011, respectively, (after a waiver of his receipt of \$750,000 in 2012) for acting as portfolio manager and/or attracting and providing client service to a large number of GAMCO's separate accounts, (2) \$\_\_\_\_\_, \$28,401,963, and \$26,486,690 for 2013, 2012 and 2011, respectively, (after waiver of his receipt of \$1,750,000 in 2012), for creating and acting as portfolio manager of several open-end GAMCO and Gabelli Funds, (3) \$\_\_\_\_\_, \$12,127,706, and \$9,150,468, for 2013, 2012 and 2011, respectively, for creating and acting as portfolio manager of the closed-end Gabelli Funds, and (4) \$\_\_\_\_\_, \$342,992, and \$304,105, for 2013, 2012 and 2011, respectively, for providing other services, including acting as portfolio and relationship manager of investment partnerships; and there were no perquisites or personal benefits provided by the Company to Mr. Gabelli for 2013, 2012, or 2011. Included in the amounts set forth under the heading "Portfolio Manager and Other Variable Remuneration" item (2) is \$\_\_\_\_\_, \$747,987, and \$809,781, in portfolio manager compensation that Mr. Gabelli earned by managing a fund for Teton, formerly a 42%-owned subsidiary of the Company whose shares were distributed to the Company's shareholders on March 20, 2009, for 2013, 2012 and 2011, respectively.

- (d) Represents incentive-based variable compensation in the amount of \$\_\_\_\_\_, \$3,451,586, and \$3,670,081, for 2013, 2012 and 2011, respectively, for attracting and/or providing client service to separate accounts, shareholders of the Gabelli or GAMCO Funds or investors in other products sponsored by GAMCO ("Variable Compensation") and \$\_\_\_\_\_ for 2013 allocation of the incentive-based management fee (10% of GAMCO pre-tax profits) by Mr. Gabelli as described in the "Variable Compensation" section of the Compensation and Discussion Analysis and in footnote (c) above.
- (e) Mr. Zuccaro's 2011 base salary amount reflects the actual amount that Mr. Zuccaro earned from his February 8, 2011 date of hire to the end of that year. His annual 2011 salary rate was \$350,000. His all other compensation for 2013, 2012, and 2011 represents his allocation of \$\_\_\_\_\_, \$250,000 and \$500,000, respectively, of the incentive-based management fee (10% of GAMCO pre-tax profits) by Mr. Gabelli as described in the "Variable Compensation" section of the Compensation and Discussion Analysis and in footnote (c) above as well as payments in lieu of health insurance of \$\_\_\_\_\_ each in 2013 and 2012.



(f) The amounts reported in the “Stock Awards” column of the table above for 2013, 2012, and 2011 reflect the fair value on the grant date of the stock awards granted to the named executives during 2013, 2012, and 2011, respectively, determined in accordance with FASB ASC Topic 718. The 2012 and 2011 awards were fully vested when, in November 2012, the Board of Directors accelerated the lapsing of restrictions of all outstanding RSAs, including those for named executives. For a summary of the assumptions made in the valuation of these awards, please see Note A, “Significant Accounting Policies – Stock Based Compensation”, to our audited financial statements included in our Annual Report on Form 10-K for the years ended on each of December 31, 2013, December 31, 2012 and December 31, 2011.

(g) Ms. Mullady’s all other compensation in 2013 and 2012 represents her allocation of \$\_\_\_\_\_ and \$200,000, respectively, of the incentive-based management fee (10% of GAMCO pre-tax profits) by Mr. Gabelli as described in the “Variable Compensation” section of the Compensation and Discussion Analysis and in footnote (c) above.

Table of Contents

(h) Mr. Alpert's all other compensation for 2013 represents his allocation of \$\_\_\_\_\_ of the incentive-based management fee (10% of GAMCO pre-tax profits) by Mr. Gabelli as described in the "Variable Compensation" section of the Compensation and Discussion Analysis and in footnote (c) above and Variable Compensation (as defined in note (d)) of \$\_\_\_\_\_. His all other compensation for 2012 represents his allocation of \$50,000 of the incentive-based management fee (10% of GAMCO pre-tax profits) by Mr. Gabelli as described in the "Variable Compensation" section of the Compensation and Discussion Analysis and in footnote (c) above and Variable Compensation (as defined in note (d)) of \$13,084. His all other compensation for 2011 represents \$8,195 of Variable Compensation (as defined in note (d)).

(i) Mr. Van der Eb's all other compensation for 2013 represents his allocation of \$\_\_\_\_\_ of the incentive-based management fee (10% of GAMCO pre-tax profits) by Mr. Gabelli as described in the "Variable Compensation" section of the Compensation and Discussion Analysis and in footnote (c) above and Variable Compensation (as defined in note (d)) of \$\_\_\_\_\_. His all other compensation for 2012 and 2011 represents Variable Compensation (as defined in note (d)) of \$172,295 and \$143,754, respectively.

## Grants of Plan-Based Awards for 2013

The following table sets forth information concerning cash incentive opportunities and grants of restricted stock made to the named executives during 2013.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock Or Units	Grant Date Fair Value of Stock Awards (\$) (b)
Mario J. Gabelli (a)	-0-	-0-	-0-
Douglas R. Jamieson	8/6/2013	_____	_____
	11/27/2013	_____	_____
R o b e r t S . Zuccaro	8/6/2013	_____	_____
	11/27/2013	_____	_____
A g n e s Mullady	8/6/2013	_____	_____
	11/27/2013	_____	_____
B r u c e Alpert	8/6/2013	_____	_____
	11/27/2013	_____	_____
H e n r y V a n d e r Eb	8/6/2013	_____	_____
	11/27/2013	_____	_____

(a) Mr. Gabelli has never received either options or restricted stock awards from the Company. He recommends the grant of stock awards for corporate team members to the Compensation Committee, as described in the Compensation Discussion and Analysis above.

(b) In accordance with the SEC's disclosure rules, the amounts reported in this table reflect the fair value on the effective grant date of the stock awards, determined in accordance with FASB ASC Topic 718, granted to the named executive officers during 2013.

20

---

Table of Contents

Employment Agreements. Mr. Gabelli is currently the only named executive who has an employment agreement with the Company.

Mario J. Gabelli. On February 6, 2008, Mr. Gabelli entered into an amended and restated employment agreement (the “2008 Employment Agreement”) with the Company, which was approved by the Company’s shareholders on November 30, 2007 and which limits his activities outside of the Company. The 2008 Employment Agreement has a three-year initial term with an automatic extension for an additional year on each anniversary of its effective date unless either party gives written notice of termination at least 90 days in advance of the expiration date. The 2008 Employment Agreement allows Mr. Gabelli to perform investment management services for former subsidiaries that are spun off to shareholders or otherwise cease to be subsidiaries in similar transactions and permits new investors in the outside accounts if all of the performance fees, less expenses, generated by assets attributable to such investors are paid to the Company. The 2008 Employment Agreement was last submitted to, and re-approved by, the Company’s shareholders at the Annual Shareholders’ Meeting held on May 6, 2011.

Mr. Gabelli (or, at his option, his designee) receives an incentive-based management fee in the amount of 10% of our aggregate annual pre-tax profits, if any, as computed for financial reporting purposes in accordance with U.S. generally accepted accounting principles (before consideration of this fee) so long as he is an executive of the Company and devotes the substantial majority of his working time to our business. This incentive-based management fee is subject to the Compensation Committee’s review at least annually for compliance with the terms of the 2008 Employment Agreement. The 2008 Employment Agreement may not be amended without the approval of the Compensation Committee and Mr. Gabelli.

In accordance with the 2008 Employment Agreement, Mr. Gabelli chose to allocate \$\_\_\_\_\_, \$710,000, and \$510,000, of his management fee to certain other professional staff members of the Company in 2013, 2012 and 2011, respectively. He also elected to waive receipt of \$\_\_\_\_\_ and \$2,350,000 of his management fee in 2013 and 2011, respectively, and to waive receipt of \$2,500,000 of his portfolio manager and other variable remuneration in 2012. Mr. Gabelli earned (after allocations and waiver) the following incentive-based management fees during the past five years:

	2009	2010	2011	2012	2013
M a n a g e m e n t F e e ( \$ i n millions)	5.8	9.6	9.4	12.3	

Consistent with the Company’s practice since its inception in 1977, Mr. Gabelli will also continue receiving a percentage of revenues or net operating contribution, which are substantially derived from assets under management, as compensation relating to or generated by the following activities: (i) managing or overseeing the management of various investment companies and partnerships, (ii) attracting mutual fund shareholders, (iii) attracting and managing separate accounts and alternative funds, and (iv) otherwise generating revenues for the Company. Such payments are made in a manner and at rates as agreed to from time to time by GAMCO, which rates have been and generally will be the same as those received by other professionals at GAMCO performing similar services. With respect to our institutional and high net worth asset management and mutual fund advisory business, we pay out up to 40% of the revenues or net operating contribution to the portfolio managers and marketing staff who introduce, service or generate such business, with (i) payments involving the separate accounts being typically based on revenues and (ii) payments involving the mutual funds being typically based on net operating contribution.

In accordance with the terms of his 2008 Employment Agreement, Mr. Gabelli has agreed that while he is employed by us he will not provide investment management services outside of GAMCO, except for certain permitted accounts or except for services to be performed for former subsidiaries that are spun off from the Company such as Teton. During 2013, Mr. Gabelli served as a portfolio manager for Teton and as a portfolio manager for various

privately offered funds.

Outstanding Equity Awards at December 31, 2013

The following table summarizes the number of securities underlying outstanding equity awards for the named executives as of December 31, 2013.

Name	Number of Securities Underlying Unexercised Options at December 31, 2013		Option Exercise Price	Option Expiration Date	Number of Unvested Restricted Stock Awards	Market Value of Unvested Restricted Stock Awards (\$)
	Exercisable (#)	Unexercisable (#)				
M a r i o J . Gabelli	-0-	-0-	N/A	N/A	-0-	-0-
Douglas R. Jamieson	-0-	-0-	N/A	N/A	_____	_____ (b)
Robert S. Zuccaro	-0-	-0-	N/A	N/A	_____	_____ (c)
A g n e s Mullady	-0-	-0-	N/A	N/A	_____	_____ (d)
B r u c e Alpert	-0-	-0-	N/A	N/A	_____	_____ (e)
H e n r y V a n d e r Eb	-0-	-0-	N/A	N/A	_____	_____ (f)

Table of Contents

- (a) Determined with reference to \$86.97 per share, the closing price of Class A Stock on December 31, 2013.
- (b) Mr. Jamieson's restricted stock awards will vest on August 6, 2016 as to 30% of \_\_\_\_\_ shares, annually on August 6th of each of 2017 to 2023 as to 10% each of \_\_\_\_\_ shares, on November 27, 2016 as to 30% of \_\_\_\_\_ shares, and on November 27, 2018 as to 70% of \_\_\_\_\_ shares in accordance with the terms of his restricted stock award agreements.
- (c) Mr. Zuccaro's restricted stock awards will vest on August 6, 2016 as to 30% of \_\_\_\_\_ shares, annually on August 6th of each of 2017 to 2023 as to 10% each of \_\_\_\_\_ shares, on November 27, 2016 as to 30% of \_\_\_\_\_ shares, and on November 27, 2018 as to 70% of \_\_\_\_\_ shares in accordance with the terms of his restricted stock award agreements.
- (d) Ms. Mullady's restricted stock awards will vest on August 6, 2016 as to 30% of \_\_\_\_\_ shares, annually on August 6th of each of 2017 to 2023 as to 10% each of \_\_\_\_\_ shares, on November 27, 2016 as to 30% of \_\_\_\_\_ shares, and on November 27, 2018 as to 70% of \_\_\_\_\_ shares in accordance with the terms of her restricted stock award agreements.
- (e) Mr. Alpert's restricted stock awards will vest on August 6, 2016 as to 30% of \_\_\_\_\_ shares, annually on August 6th of each of 2017 to 2023 as to 10% each of \_\_\_\_\_ shares, on November 27, 2016 as to 30% of \_\_\_\_\_ shares, and on November 27, 2018 as to 70% of \_\_\_\_\_ shares in accordance with the terms of his restricted stock award agreements.
- (f) Mr. Van der Eb's restricted stock awards will vest on August 6, 2016 as to 30% of \_\_\_\_\_ shares, annually on August 6th of each of 2017 to 2023 as to 10% each of \_\_\_\_\_ shares, on November 27, 2016 as to 30% of \_\_\_\_\_ shares, and on November 27, 2018 as to 70% of \_\_\_\_\_ shares in accordance with the terms of his restricted stock award agreements.

Options Exercises and Stock Vested for 2013

There were no stock option exercised by or restricted stock awards which vested for any of the named executives during 2013.

Nonqualified Deferred Compensation Table for 2013

There was no nonqualified deferred compensation payable to the named executives during 2013.

Pension Benefits for 2013

There were no pension benefit plans for any of the named executives during 2013.

Potential Payments upon Termination of Employment or Change-of-Control.

Upon a change-of-control of the Company, all restricted stock awards (the "RSAs") held by the named executives (if still employed by the Company at such time) automatically vest, and the accumulated but unpaid dividends associated with these RSAs would become immediately payable.

The following table sets forth information on the value of RSA's held on December 31, 2013 and the accumulated but unpaid dividends on these shares through December 31, 2013, which would have been payable had a change-of-control occurred on that date. The price per share assumed is \$86.97, which was the closing price of Class

A Stock on December 31, 2013.

Name	Fair Value of Unvested RSA's at December 31, 2013	Accumulated but Unpaid Dividends on These RSA's at December 31, 2013	Total (\$)
Mario J. Gabelli	-0-	-0-	-0-
Douglas R. Jamieson	_____	_____	_____
R o b e r t S . Zuccaro	_____	_____	_____
A g n e s Mullady	_____	_____	_____
B r u c e Alpert	_____	_____	_____
H e n r y V a n d e r Eb	_____	_____	_____
Total	\$_____	\$_____	\$_____

Table of Contents

## CERTAIN OWNERSHIP OF OUR STOCK

The following table sets forth, as of March 1, 2014, certain information with respect to all persons known to us who beneficially own more than 5% of the Class A Stock or Class B Stock. The table also sets forth information with respect to stock ownership of the directors, nominees, each of the executive officers named in the Summary Compensation Table, and all directors and executive officers as a group. 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 over which a person has the sole or shared voting or investment power and any shares which the person can acquire within 60 days (e.g., through the exercise of stock options). Except as otherwise indicated, the shareholders listed in the table have sole voting and investment power with respect to the shares set forth in the table.

Name of Beneficial Owner*	Title of Class	Number of Shares		Number of Shares Acquirable within 60 days(1)	Percent of Class (%)
<b>5% or More Shareholders</b>					
Frederick J. Mancheski	Class A	1,725,974	(2)	-0-	25.96
Keeley Asset Management Corp.	Class A	368,000	(3)	-0-	5.53
E . S . B a r r & Company	Class A	422,150	(4)	-0-	6.35
<b>Directors and Executive Officers</b>					
M a r i o J . Gabelli	Class A	70,000	(5)	-0-	1.05
	Class B	19,178,016	(6)	-0-	98.96
Douglas R. Jamieson	Class A	13,427	(7)	-0-	**
	Class B	26,186		-0-	**
R o b e r t S . Zuccaro	Class A	13,975		-0-	**
A g n e s Mullady	Class A	25,895		-0-	**
Bruce Alpert	Class A	11,394		-0-	**
	Class B	1,123		-0-	**
Henry Van der Eb	Class A	3,028		-0-	**
Edwin L. Artzt	Class A	-0-		10,000	**
Raymond C. Avansino, Jr.	Class A	84,000	(8)	6,000	1.35
Richard L. Bready	Class A	1,000		10,000	**
Eugene R. McGrath	Class A	1,000	(9)	10,000	**
Robert S. Prather, Jr.	Class A	10		10,000	**
E l i s a M . Wilson	Class A	-0-		7,500	(10) **
	Class B	11,836		-0-	**
All Directors & Executive Officers as a Group (15 persons)	Class A	239,729		53,500	4.37
	Class B	19,217,161		-0-	99.16

(\*)



The address of each beneficial owner of more than 5% of the Class A Stock or Class B Stock is as follows: Frederick J. Mancheski, 1060 Vegas Valley Drive, Las Vegas, Nevada 89109; Keeley Asset Management Corp., 111 West Jackson Boulevard, Suite 810, Chicago, Illinois 60604; E.S. Barr & Company, 1999 Richmond Road, Suite 1B, Lexington, KY 40502 and Mario J. Gabelli, GAMCO Investors, Inc., One Corporate Center, Rye, NY 10580.

(\*\*) Represents beneficial ownership of less than 1%.

Pursuant to a resolution approved by the Board of Directors, as of March 1, 2014, there are 955,385 shares of the Class B Stock that may be converted into Class A Stock.

- (1) Reflects stock options which are currently exercisable or exercisable within 60 days of March 1, 2014.
- (2) As reported in Amendment No. 5 to Schedule 13D filed with the SEC by Frederick J. Mancheski on January 9, 2013, Mr. Mancheski beneficially owns 1,725,974 shares of Class A Stock. According to this filing, 822,735 of the shares are owned by Mr. Mancheski, 758,397 shares are held by Mancheski, LLC and 144,842 shares are owned by the Frederick J. Mancheski 2009 Irrevocable Trust. Pursuant to an Exchange and Standstill Agreement between GAMCO and Mr. Mancheski, dated May 31, 2006, Mr. Mancheski agreed, among other things, (i) not to solicit proxies in opposition to Company management; (ii) not to attempt to exercise any control over management or the Company; (iii) to vote his shares in favor of the nominees and positions advocated by the Board; (iv) subject to certain exceptions, not to acquire any additional shares of the Company or seek to acquire the Company; (v) not to become part of a "group" with any other persons; (vi) not to initiate, propose or submit one or more shareholder proposals or induce or attempt to induce any other person to initiate any shareholder proposal; (vii) not to seek to call, or to request the call of, a special meeting of the Company's shareholders, or make a request for a list of the Company's shareholders; (viii) not to deposit any Class A Stock or other Voting Securities (as defined in the Exchange and Standstill Agreement) in a voting trust or enter into any other arrangement or agreement with respect to the voting thereof; and (ix) not to commence, encourage, or support any derivative action in the name of the Company or any class action against the Company or any of its officers or directors, each for a period of ten years.
- (3) As reported in Amendment No. 4 to Schedule 13G that was filed with the SEC by Keeley Asset Management Corp. on February 7, 2014. According to this filing, Keeley Asset Management Corp. beneficially owns 368,000 shares, Keeley Small Cap Value Fund beneficially owns 363,000 shares, and John L. Keeley, Jr. beneficially owns 5,000 shares.
- (4) As reported in Amendment No. 4 to Schedule 13G that was filed with the SEC by E.S. Barr & Company on February 14, 2014. According to this filing, E.S. Barr & Company beneficially owns 422,150 shares, Edward S. Barr beneficially owns 426,015 shares (6.47% of the shares) which includes 3,865 shares he holds individually (or through retirement accounts for his benefit), and E.S. Barr Holdings, LLC beneficially owns 422,150 shares.
- (5) Includes 40,000 shares held by GGCP. Mr. Gabelli has voting and dispositive control of these shares.
- (6) Of this amount, 434,275 are owned directly by Mr. Gabelli and 18,743,741 of these shares are owned by Holdings via GGCP. Mr. Gabelli may be deemed to have beneficial ownership of the Class B Stock held by Holdings on the basis of (i) his position as the Chief Executive Officer of, a director of, and the controlling shareholder of GGCP which is the manager and the majority member of Holdings, and (ii) a certain profit interest in Holdings. Mr. Gabelli disclaims beneficial ownership of the shares owned by Holdings except to the extent of his pecuniary interest therein.

Table of Contents

- (7) Includes 2,460 shares for which First Clearing, LLC is the Uniform Gift to Minors Act Custodian for Mr. Jamieson's children and 820 shares held by one of his children who has reached the age of legal majority but who continues to reside in Mr. Jamieson's household. Mr. Jamieson has voting and dispositive control of these shares.
- (8) Includes 60,000 shares that are owned by an entity for which Mr. Avansino serves as a director and officer. Mr. Avansino disclaims beneficial ownership of these 60,000 shares.
- (9) Mr. McGrath has shared voting and dispositive power with respect to these shares.
- (10) Ms. Wilson has options to purchase 10,000 shares of Class A Stock outstanding at an exercise price of \$45.77. These options were granted on February 8, 2011 and vested as to 75% on February 8, 2014 with the remaining 25% scheduled to vest on February 8, 2015.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on a review of filings made under Section 16(a) of the Securities Exchange Act of 1934, we believe that our directors and executive officers and our shareholders who own 10% or more of our Class A Stock or Class B Stock have complied with the requirements of Section 16(a) of the Securities Exchange Act of 1934 to report ownership, and transactions which change ownership, on time for 2013, except for one Form 4 filing reporting a transaction occurring on May 24, 2013 by Mario J. Gabelli which was not filed on a timely basis.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

GGCP, through Holdings, owns a majority of our Class B Stock and, at December 31, 2013, 40,000 shares of our Class A Stock, together representing approximately 93% of the combined voting power and approximately 72% of the outstanding shares of our common stock at December 31, 2013. Mr. Gabelli serves as the Chief Executive Officer, a director and is the controlling shareholder of GGCP. Various family members of Mr. Gabelli are shareholders of GGCP including Ms. Wilson.

For 2013, the Company incurred variable costs of \$464,350 for actual usage (but not the fixed costs) relating to our use of aircraft in which GGCP owns the fractional interests.

We lease an approximately 60,000 square foot building located at 401 Theodore Fremd Avenue, Rye, New York as our headquarters (the "Building") from M4E, LLC, ("M4E"), an entity that is owned by family members of Mr. Gabelli, including Ms. Wilson. Under the lease for the Building, which was extended for an additional five year term on June 11, 2013 with no change to the base rental of \$18 per square foot and now expires on December 31, 2028, we are responsible for all operating expenses, costs of electricity and other utilities and taxes. For the period January 1, 2013 through December 31, 2013, the rent was \$1,160,331, or \$19.34 per square foot. As a member of M4E, Ms. Wilson is entitled to receive her pro-rata share of payments received by M4E under the lease.

We sublease approximately 3,300 square feet in the Building to LICT, a company for which Mr. Gabelli serves as Chairman and CEO and is deemed to be the controlling shareholder. LICT pays rent to us at the rate of \$28 per square foot plus \$3 per square foot for electricity, subject to adjustment for increases in taxes and other operating expenses. The total amount paid to us in 2013 for rent and other expenses under this lease was \$116,527. This sublease expires on December 5, 2023.

We also sublease approximately 1,600 square feet in the Building to Teton. Teton pays rent to us at the rate of \$37.75 per square foot plus \$3 per square foot for electricity, subject to adjustment for increases in taxes and other operating expenses. The total amounts paid in 2013 to us for rent and other expenses under this lease were \$68,189.

We lease approximately 1,599 square feet of office space in Reno, Nevada from Miami Oil Producers, Inc., for which Mr. Avansino serves as the Chairman and President. We pay a base rent of \$3,118 per month plus the cost of parking and subject to adjustment annually for changes in the CPI. We entered into the current lease on January 1, 2011 with a 3 year term and thereafter subject to an option to extend the term for a year at a time. For the period January 1, 2013 through December 31, 2013, the rent was \$38,427, or \$24.03 per square foot. In 2009, GAMCO entered into a sublease of a portion of this office space in Reno, Nevada to CIBL, Inc. ("CIBL"). Mr. Gabelli is a director of CIBL and is deemed to be the controlling shareholder of CIBL through his role as general partner of MJG IV, the largest shareholder of CIBL. Under the terms of the Reno sublease, the Company granted CIBL the right to use such part of GAMCO's Reno office as the Company and CIBL shall from time to time agree. The sublease granted CIBL the right to use space in the Reno office until July 31, 2009 with an automatic renewal for one additional calendar year which extended the sublease until July 31, 2010. Since August 1, 2010, the space has been subleased on a month-to-month basis. For 2013, the rent for the Reno sublease was \$6,000.

Table of Contents

In addition to the sublease of space in the Building, we entered into a number of agreements in connection with the Company's distribution of the shares of Class A and B Common Stock in Teton. These agreements are as follows: a Separation and Distribution Agreement, an Administrative and Management Services Agreement ("Administrative Agreement") and Service Mark and Name License Agreement (the "License Agreement"). Pursuant to the Administrative Agreement, we provide certain services to Teton including senior executive functions, strategic planning and general corporate management services; mutual fund administration services; treasury services, including insurance and risk management services and administration of benefits; operational and general administrative assistance including office space, office equipment, administrative personnel, payroll, and procurement services as needed; accounting and related financial services; legal, regulatory and compliance advice, including the retention of a Chief Financial Officer and a Chief Compliance Officer; and human resources functions, including sourcing of permanent and temporary employees as needed, recordkeeping, performance reviews and terminations. Effective January 1, 2011, the Administrative Agreement was amended to be based on a tiered formula as opposed to a fixed rate. Under the amended agreement, the Company is compensated by Teton 20 basis points annually on the first \$370 million of average assets under management ("AUM") in the Teton funds, 12 basis points annually on the next \$630 million of average AUM in the Teton funds, and 10 basis points annually of average AUM in the Teton funds in excess of \$1 billion. The License Agreement provides Teton and the funds that it manages the use of certain names and service marks. Pursuant to the Administrative Agreement and the License Agreement, the Company was compensated in 2013 by Teton in the amount of \$15,000 per month, or \$180,000 for the full year, plus an average of 14.3 basis points of the average AUM in the Teton funds (pursuant to the tiered formula) for providing mutual fund administration services to these funds, or \$1,593,530 for 2013. We sublease space in the Building to Teton as discussed above. G.distributors, LLC ("G.distributors"), an affiliated broker-dealer of the Company, served as distributor to the six mutual funds that are managed by Teton during 2013. In 2013, the funds managed by Teton paid G.distributors \$3,593,641 in distribution fees, of which \$3,143,771 was reallocated to other broker dealers by G.distributors. In 2013, Mr. Gabelli earned -----\$\_\_\_\_\_ in portfolio manager compensation for acting as co-manager of the GAMCO Westwood Mighty Mites Fund, a Teton micro-cap fund, and such amount is included in his compensation earned for 2013 shown earlier in the Summary Compensation Table for 2013 as indicated in footnote (c) to that table.

Mr. Gabelli and Gabelli Securities, Inc. ("Gabelli Securities"), a majority-owned subsidiary of the Company, serve as co-general partners of Gabelli Associates Fund, LP ("GAF"). Mr. Gabelli receives portfolio manager and relationship manager compensation through an incentive allocation directly from GAF. In 2013, Mr. Gabelli earned \$\_\_\_\_\_ in incentive fees from GAF, of which he allocated \$\_\_\_\_\_ to other professional staff, and his net compensation of \$\_\_\_\_\_ is included in his compensation shown earlier in the Summary Compensation Table for 2013.

Gabelli Securities International Limited ("GSIL") was formed in 1994 to provide management and investment advisory services to certain offshore funds and accounts. A family member of our Chairman owns 55% of GSIL, and Gabelli Securities owns the remaining 45%. In 1994, Gabelli International Gold Fund Limited ("GIGFL"), an offshore investment company investing primarily in securities of issuers with gold-related activities, was formed, and GSIL entered into an agreement to provide management services to GIGFL. Gabelli Securities in turn entered into an agreement with GSIL to provide investment advisory services to GIGFL in return for receiving all investment management fees paid by GIGFL. Pursuant to such agreement, Gabelli Securities received investment management fees of \$13,478 and no incentive fees for 2013.

In April 1999, Gabelli Global Partners, Ltd., an offshore investment fund, was incorporated. GSIL and Gemini Capital Management, LLC ("GCM"), an entity owned by a family member of our Chairman, were engaged by the fund as co-investment advisors as of July 1, 1999. The fund paid all of the management fees for 2013, in the amount of \$148,909, and all of the incentive fees, in the amount of \$31,217, to GSIL.

In April 1999, Gabelli Securities formed Gabelli Global Partners, L.P., an investment limited partnership for which Gabelli Securities and GCM are the co-general partners. In March 2002, Gabelli Global Partners, L.P. changed its name to Gemini Global Partners, L.P. The fund paid Gabelli Securities \$153,552 of management fees in 2013, which, in turn, paid GCM half of this amount or \$76,776. The fund paid Gabelli Securities \$30,036 of incentive fees in 2013, which, in turn, paid GCM half of this amount or \$15,018.

GAMCO Asset Management Inc. (“GAMCO Asset Management”), a wholly-owned subsidiary of the Company, has entered into an agreement to provide advisory and administrative services to MJG Associates, which has been wholly-owned by our Chairman since 1990, with respect to the private investment funds that it manages. Pursuant to this agreement, MJG Associates paid GAMCO Asset Management \$10,000 (excluding reimbursement of expenses) for 2013. Mr. John Gabelli, the brother of our Chairman, is the sole shareholder of an entity that is the general partner of two investment partnerships - Manhattan Partners I, L.P. (“Manhattan I”) and Manhattan Partners II, L.P. (“Manhattan II”). Manhattan I and Manhattan II paid GAMCO Asset Management investment advisory fees in the amount of \$21,601 for 2013. In turn, GAMCO Asset Management paid John Gabelli \$\_\_\_\_\_, a fee consistent with the payouts of all investment relationship staff of GAMCO Asset Management, for serving as the relationship manager for both Manhattan I and Manhattan II for 2013. In addition, an entity that Mr. John Gabelli’s wife is the sole shareholder of is the co-general partner of S.W.A.N. Partners, LP (“S.W.A.N.”), which is a separately managed account of GAMCO Asset Management. S.W.A.N. paid GAMCO Asset Management investment advisory fees in the amount of approximately \$32,740 for 2013. In turn, GAMCO Asset Management paid John Gabelli \$\_\_\_\_\_, a fee consistent with the payouts of all investment relationship staff of GAMCO Asset Management, for serving as relationship manager for S.W.A.N. for 2013.

We incur expenses for certain professional and administrative services, and purchase services from third party providers, such as payroll, transportation, insurance and public relations services, on behalf of GGCP and MJG Associates. GGCP and MJG Associates reimburse us for these expenses. The amount reimbursable from GGCP and MJG Associates to us for such expenses for 2013 was approximately \$159,370 and \$919,704, respectively. Of these amounts, \$54,403 and \$919,704 were owing to the Company at December 31, 2013 by GGCP and MJG Associates, respectively. The GGCP amount was paid in full on January 23, 2014, and the MJG Associates amount was paid in full on January 29, 2014.

Table of Contents

Certain directors and executive officers have immediate family members who are employed by us, our subsidiaries, and certain related entities. The base salaries and bonuses of each of these immediate family members are established in accordance with our compensation practices applicable generally to staff members with equivalent qualifications and responsibilities and holding similar positions. None of the directors or executive officers has a material interest in any of these employment relationships of their immediate family members, and all of the immediate family members of our directors mentioned below are financially independent adult children. None of the immediate family members mentioned below is an executive officer with us.

A daughter of Mr. Avansino, one of our directors, is employed by one of our subsidiaries in a sales and marketing role and earned in 2013 a base salary of \$\_\_\_\_\_ and incentive-based variable compensation based on revenues generated by certain relationships (“Variable Compensation”) of \$\_\_\_\_\_ plus usual and customary benefits. She also received \_\_\_\_\_ restricted stock awards on August 6, 2013 with a grant date fair value of \$57.86 per share. As with all Company restricted stock awards, fair value equals the closing price of the Company’s Class A Stock on the day preceding the grant date. Compensation expense of \$\_\_\_\_\_ for this award was recognized by the Company for financial statement reporting purposes for the fiscal year ended December 31, 2013 calculated in accordance with FASB guidance. A sister-in-law of Mr. Jamieson, our President and Chief Operating Officer, is employed by one of our subsidiaries in a marketing role and earned in 2013 a base salary of \$\_\_\_\_\_, a bonus of \$\_\_\_\_\_ and \$\_\_\_\_\_ in Variable Compensation plus usual and customary benefits. She also received \_\_\_\_\_ restricted stock awards on August 6, 2013 with a grant date fair value of \$57.86 per share and an additional grant of \_\_\_\_\_ restricted stock awards on November 27, 2013 with a grant date fair value of \$81.55 per share. As with all Company restricted stock awards, fair value equals the closing price of the Company’s Class A Stock on the day preceding the grant date. Compensation expense of \$\_\_\_\_\_ for the August 2013 award and of \$\_\_\_\_\_ for the November 2013 award was recognized by the Company for financial statement reporting purposes for the fiscal year ended December 31, 2013 calculated in accordance with FASB guidance.

A son of our Chairman, who has been employed by one of our subsidiaries since 1998, earned in 2013 a base salary of \$\_\_\_\_\_, a bonus of \$\_\_\_\_\_, an allocation of \$\_\_\_\_\_ of the incentive-based management fee (10% of GAMCO pre-tax profits) by Mr. Gabelli as described in the “Variable Compensation” section of the Compensation and Discussion Analysis and in footnote (c), and \$\_\_\_\_\_ in Variable Compensation plus usual and customary benefits. In August 2006, he was given responsibility for managing a proprietary investment account on which he would be paid, on an annual basis, 20% of any net profits earned on the account for the year. The account was initially funded with approximately \$40 million during 2006. For 2013, this account was up 41.9%, and therefore he earned approximately \$\_\_\_\_\_ for managing this account, which is included in his Variable Compensation. He also received \_\_\_\_\_ restricted stock awards on August 6, 2013 with a grant date fair value of \$57.86 per share and an additional grant of \_\_\_\_\_ restricted stock awards on November 27, 2013 with a grant date fair value of \$81.55 per share. As with all Company restricted stock awards, fair value equals the closing price of the Company’s Class A Stock on the day preceding the grant date. Compensation expense of \$\_\_\_\_\_ for the August 2013 award and of \$\_\_\_\_\_ for the November 2013 award was recognized by the Company for financial statement reporting purposes for the fiscal year ended December 31, 2013 calculated in accordance with FASB guidance.

A son of our Chairman, who is employed by one of our subsidiaries, earned in 2013 a base salary of \$\_\_\_\_\_, a bonus of \$\_\_\_\_\_, an allocation of \$\_\_\_\_\_ of the incentive-based management fee (10% of GAMCO pre-tax profits) by Mr. Gabelli as described in the “Variable Compensation” section of the Compensation and Discussion Analysis and in footnote (c), and \$\_\_\_\_\_ in Variable Compensation plus usual and customary benefits. He also received \_\_\_\_\_ restricted stock awards on August 6, 2013 with a grant date fair value of \$57.86 per share and an additional grant of \_\_\_\_\_ restricted stock awards on November 27, 2013 with a grant date fair value of \$81.55 per share. As with all Company restricted stock awards, fair value equals the closing price of the Company’s Class A Stock on the day preceding the grant date. Compensation expense of \$\_\_\_\_\_ for the August 2013 award and of \$\_\_\_\_\_ for the November 2013 award was recognized by the Company for financial statement reporting purposes for the fiscal year

ended December 31, 2013 calculated in accordance with FASB guidance.

Our Chairman's spouse, who has been employed by a subsidiary of the Company in a sales and marketing role since 1984, has been a director of that subsidiary since 1991 and has been his spouse since 2002, earned in 2013 no base salary, an allocation of \$\_\_\_\_\_ of the incentive-based management fee (10% of GAMCO pre-tax profits) by Mr. Gabelli as described in the "Variable Compensation" section of the Compensation and Discussion Analysis and in footnote (c), and \$\_\_\_\_\_ in Variable Compensation plus usual and customary benefits. She also received \_\_\_\_\_ restricted stock awards on August 6, 2013 with a grant date fair value of \$57.86 per share and an additional grant of \_\_\_\_\_ restricted stock awards on November 27, 2013 with a grant date fair value of \$81.55 per share. As with all Company restricted stock awards, fair value equals the closing price of the Company's Class A Stock on the day preceding the grant date. Compensation expense of \$\_\_\_\_\_ for the August 2013 award and of \$\_\_\_\_\_ for the November 2013 award was recognized by the Company for financial statement reporting purposes for the fiscal year ended December 31, 2013 calculated in accordance with FASB guidance.

A daughter-in-law of our Chairman earned \$\_\_\_\_\_ in Variable Compensation in 2013. A brother of our Chairman earned \$\_\_\_\_\_ in Variable Compensation in 2013 plus usual and customary benefits. Ms. Wilson, a director and the daughter of our Chairman, is also a professional staff member of the Company. Ms. Wilson has been on extended unpaid leave from the Company since January 1, 2004 and therefore received no compensation during 2013 other than compensation she received as a director disclosed in the "Director Compensation Table for 2013" and her previously-discussed entitlement, as a member of M4E, to receive her pro-rata share of payments received by M4E under the lease on the Building.

The spouse of our Controller and Co-Chief Accounting Officer is employed as the Executive Vice President and Chief Financial Officer of LICT, the Interim Chief Executive Officer and Chief Financial Officer of CIBL, and the Chief Financial Officer and a Director of Morgan Group Holding, Inc. ("Morgan"). In addition to serving as the Chairman and Chief Executive Officer of LICT and as a Director of CIBL, our Chairman also serves as the Chairman of Morgan.

## Table of Contents

On May 31, 2006, we entered into an Exchange and Standstill Agreement (“Standstill Agreement”) with Frederick J. Mancheski, a significant shareholder, pursuant to which, among other things, he agreed to exchange his 2,071,635 shares of Class B Stock for an equal number of shares of Class A Stock. The substance of the Standstill Agreement is disclosed in footnote 2 to the beneficial ownership table under the heading “Certain Ownership of Our Stock.” Pursuant to a Registration Rights Agreement that we entered into with Mr. Mancheski, we filed a shelf registration statement that was declared effective by the SEC on September 1, 2006 and amended on November 25, 2013, for the sale by Mr. Mancheski and others, including certain of our officers and employees, of up to 2,486,763 shares of Class A Stock. Mr. Mancheski continues to hold 1,725,974 shares of the Company’s Class A Stock as reported in his Form 13D filed on January 9, 2013. The standstill agreement expires on May 31, 2016.

As required by our Code of Ethics, our staff members are required to maintain their brokerage accounts at G.research, Inc. unless they receive permission to maintain an outside account. G.research, Inc. offers all of these staff members the opportunity to engage in brokerage transactions at discounted rates. Accordingly, many of our staff members, including the executive officers or entities controlled by them, have brokerage accounts at G.research, Inc. and have engaged in securities transactions through it at discounted rates. From time to time, we, through our subsidiaries, in the ordinary course of business have also provided brokerage or investment advisory services to our directors, the substantial shareholders listed in the table under “Certain Ownership of Our Stock” or entities controlled by such persons for customary fees.

### REPORT OF THE AUDIT COMMITTEE

Messrs. Artzt, Avansino, Bready, McGrath and Prather, each of whom is an independent director, are the members of the Audit Committee. In this report, the term “we” refers to the members of the Audit Committee.

The Board of Directors has adopted a written charter for the Audit Committee. A copy of that charter can be found on our website at [http://www.gabelli.com/corporate/corp\\_gov.html](http://www.gabelli.com/corporate/corp_gov.html). Our job is one of oversight as set forth in our charter. The Company’s management is responsible for preparing its financial statements and for maintaining internal controls. The independent registered public accounting firm is responsible for auditing the financial statements and expressing an opinion as to whether those audited financial statements fairly represent the financial position, results of operations and cash flows of the Company in conformity with U.S. generally accepted accounting principles.

We have reviewed and discussed the Company’s audited 2013 financial statements with management and with Deloitte & Touche LLP (“D&T”), the Company’s independent registered public accounting firm.

We have discussed with D&T the matters required to be discussed by Statement on Auditing Standard No. 16, “Communications with Audit Committees,” issued by the Public Company Accounting Oversight Board (the “PCAOB”).

We have received from D&T the written statements required by the PCAOB regarding the independent accountant’s communications with the audit committee concerning independence and have discussed with the independent accountant the independent accountant’s independence.

Based on the review and discussions referred to above, we have recommended to the Board of Directors that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013 for filing with the Securities and Exchange Commission.

### AUDIT COMMITTEE

Robert S. Prather, Jr. (Chairman)



Edwin L. Artzt  
Raymond C. Avansino, Jr.  
Richard L. Bready  
Eugene R. McGrath

27

---

Table of Contents

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

## Selection of Deloitte &amp; Touche LLP

Our Audit Committee approved the engagement of Deloitte & Touche, LLP (“D&T”) as the Company’s independent registered public accounting firm for the year-ending December 31, 2014. D&T has been the auditor of the Company since March 27, 2009. In deciding to engage D&T, the Audit Committee reviewed auditor independence and existing commercial relationships with D&T and concluded that D&T has no commercial relationship with the Company that would impair its independence. During the fiscal year ended December 31, 2013 and in the subsequent interim period through March 31, 2014, neither the Company nor anyone acting on its behalf has consulted with D&T on any of the matters or events set forth in Item 304(a)(2) of Regulation S–K.

A representative of D&T will be present at the 2014 Annual Meeting. The representative will have the opportunity to make a statement and respond to appropriate questions from shareholders.

## Deloitte &amp; Touche LLP Fees For 2012 and 2013

Fees for professional services provided by our independent registered public accounting firm in 2012 and 2013, in each of the following categories are:

	2012	2013
Audit Fees	\$1,810,100	\$1,881,080
Audit-Related Fees	\$25,000	\$9,000
Tax Fees	\$600	\$7,900
All Other Fees	\$2,362	\$2,362

Audit fees include fees relating to the audit of our annual financial statements and review of financial statements included in our quarterly reports on Form 10-Q. Audit fees also include fees for services related to Section 404 of the Sarbanes-Oxley Act which consist of the review of documentation and testing of our procedures and controls. Audit-related fees for 2013 consist of fees for services provided in connection with the Securities Investor Protection Corporation assessment for one of the Company's registered broker-dealer subsidiaries and for a consent letter provided in connection with the filing of post-effective amendments to our registration statements on Forms S-3 and S-8 and a registration statement on Form S-8. Audit-related fees for 2012 consist of fees for services provided in connection with the Securities Investor Protection Corporation assessment for one of the Company's registered broker-dealer subsidiaries, for a consent letter provided in connection with the filing of a registration statement on Form S-3, and for services related to a proposed debt offering. Tax fees were for assistance with federal tax filings, state sourcing, and foreign tax work. All other fees were for access to online technical research services.

## SHAREHOLDER PROPOSALS FOR THE 2015 ANNUAL MEETING

Qualified shareholders who want to have proposals included in our proxy statement in connection with our 2015 Annual Meeting pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), must deliver such proposals so that they are received at our principal executive offices at One Corporate Center, Rye, New York 10580 by December 26, 2014 in order to be considered for inclusion in next year’s proxy statement and proxy. For any shareholder proposal submitted outside Rule 14a-8 of the Exchange Act to be considered timely for purposes of Rule 14a-4(c) under the Exchange Act, the Company must receive notice of such proposal, or any nomination of a director by a shareholder, by February 6, 2015.

## OTHER MATTERS

We know of no other matters to be presented at the 2014 Annual Meeting other than the election of directors, the ratification of auditors, the advisory vote on the named executive officer compensation, and the advisory vote on conversion of Class B Stock into Class A Stock, all as described above. If other matters are properly presented at the 2014 Annual Meeting, the proxies will vote on these matters in accordance with their judgment of the best interests of the Company.

We will provide a free copy of our Annual Report on Form 10-K for the year ended December 31, 2013. Requests should be in writing and addressed to our Secretary at GAMCO Investors, Inc., One Corporate Center, Rye, NY 10580-1422.

Table of Contents

EXHIBIT A

GUIDELINES FOR DIRECTOR INDEPENDENCE

For a director to be deemed “independent,” the Board shall affirmatively determine that the director has no material relationship with GAMCO Investors, Inc. (together with its consolidated subsidiaries, “GAMCO”) or its affiliates or any member of the senior management of GAMCO or his or her affiliates. This determination shall be disclosed in the proxy statement for each annual meeting of GAMCO’s shareholders. In making this determination, the Board shall apply the following standards:

- A director who is an employee, or whose immediate family member is an executive officer, of GAMCO will not be deemed independent until three years after the end of such employment relationship. Employment as an interim Chairman or Chief Executive Officer will not disqualify a director from being considered independent following that employment.
- A director who received, or whose immediate family member received in any twelve month period over the last three years more than \$120,000 in direct compensation from GAMCO will not be deemed independent. In calculating such compensation, the following will be excluded:
  - o director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
  - o compensation received by a director for former service as an interim Chairman or Chief Executive Officer; and
  - o compensation received by an immediate family member for service as a non-executive officer employee of GAMCO.
- A director will not be considered independent if:
  - o the director is a current partner or employee of a firm that is GAMCO’s internal or external auditor;
  - o the director has an immediate family member who is a current partner of GAMCO’s internal or external auditor;
  - o the director has an immediate family member who is a current employee of GAMCO’s internal or external auditor and personally works on GAMCO’s audit; or
  - o the director or an immediate family member was within in the last three years a partner or employee of GAMCO’s internal or external auditor and personally worked on GAMCO’s audit within that time.
- A director who is, or whose immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of GAMCO’s current executive officers serve on that company’s compensation committee will not be deemed independent.
- A director who is, a general partner or employee, or whose immediate family member is an executive officer or general partner, of an entity that makes payments to, or receives payments from, GAMCO for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other entity’s consolidated gross revenues, will not be deemed independent.
-

A director who serves as an executive officer of a tax-exempt entity that receives significant contributions (i.e., more than 2% of the annual contributions received by the entity or more than \$1 million in a single fiscal year, whichever amount is greater) from GAMCO, any of its affiliates, any executive officer or any affiliate of an executive officer within the preceding twelve-month period may not be deemed independent, unless the contribution was approved by the Board and disclosed in GAMCO's proxy statement.

A-1

---

Table of Contents

For purposes of these Guidelines, the terms:

- “affiliate” means any consolidated subsidiary of GAMCO and any other company or entity that controls, is controlled by or is under common control with GAMCO, as evidenced by the power to elect a majority of the board of directors or comparable governing body of such entity; and
- “immediate family” means spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than domestic employees) sharing a person’s home, but excluding any person who is no longer an immediate family member as a result of legal separation or divorce, or death or incapacitation.

The Board shall undertake an annual review of the independence of all non-employee directors. In advance of the meeting at which this review occurs, each non-employee director shall be asked to provide the Board with full information regarding the director’s business and other relationships with GAMCO and its affiliates and with senior management and their affiliates to enable the Board to evaluate the director’s independence.

Directors have an affirmative obligation to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as “independent.” This obligation includes all business relationships between, on the one hand, directors or members of their immediate family, and, on the other hand, GAMCO and its affiliates or members of senior management and their affiliates, whether or not such business relationships are subject to the approval requirement set forth in the following provision.

---

Table of Contents

PRELIMINARY COPY, SUBJECT TO COMPLETION MARCH 20, 2014

---

Table of Contents

---



Table of Contents

PRELIMINARY COPY, SUBJECT TO COMPLETION MARCH 20, 2014

---

Table of Contents