

RENN Fund, Inc.
Form DEF 14A
April 17, 2015

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**

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 Pursuant to §240.14a-12

RENN Fund, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(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.

(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: _____

RENN Fund, Inc.

8080 North Central Expressway, Suite 210, LB 59

Dallas, Texas 75206-1857

NOTICE OF Annual MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 22, 2015

To The Shareholders of RENN Fund, Inc.

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Annual Meeting") of RENN Fund, Inc., a Texas corporation (the "Fund"), will be held at the Compass Bank Building, 8080 N. Central Expressway, Suite 1350, Dallas, Texas 75206 on Friday, May 22, 2015, at 11:00 a.m., Central Daylight Savings time, for the following purposes:

- (1) to elect Charles C. Pierce, Jr., as a Class Two Director of the Fund, who is to hold office for a term of three (3) years or until his successor is elected and qualified;
- (2) to ratify the appointment by the Fund's Board of Directors of BKD, LLP, as the auditor of the Fund for the fiscal year ending December 31, 2015;
- (3) to transact any and all other business that may properly be presented at the Annual Meeting or any adjournment(s).

The close of business on March 25, 2015, has been fixed as the record date for determining shareholders entitled to notice of and to vote at the Annual Meeting or any adjournment. The enclosed proxy is being solicited on behalf of the Board.

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You are cordially invited to attend the Annual Meeting. You may vote your shares: (1) in person at the Annual Meeting; (2) by telephone; (3) via the Internet; or (4) by completing, signing, dating, and returning the accompanying proxy card in the enclosed, self-addressed, postage-paid envelope. Specific instructions for voting by telephone or via the Internet are on the accompanying proxy card. Prompt response by our shareholders will reduce the time and expense of solicitation. To ensure proper representation at the Annual Meeting, please complete, sign, date, and return the proxy card in the enclosed, self-addressed envelope.

You may revoke your proxy at any time prior to the Annual Meeting. If you decide to attend the Annual Meeting and wish to change your vote, you may do so by voting in person at the Annual Meeting. Even if you vote your shares prior to the Annual Meeting, you still may attend the Annual Meeting and vote your shares in person.

By Order of the Board of Directors

Lynne Marie Simon

Acting Corporate Secretary

Dallas, Texas

April 8, 2015

Important Notice Regarding the Availability of Proxy Materials
for the Shareholder Meeting to be Held on MAY 22, 2015:

The Proxy Statement and Annual Report to Shareholders are available at www.rencapital.com/renn_global.php.

RENN FUND, INC.

PROXY STATEMENT

for

ANNUAL MEETING OF SHAREHOLDERS

To Be Held On Friday, May 22, 2015

SOLICITATION OF PROXIES

This Proxy Statement is being furnished to the shareholders of RENN Fund, Inc., a Texas corporation (the “Fund”). The Fund’s Board of Directors is soliciting proxies to be voted at the Annual Meeting of Shareholders (the “Annual Meeting”) to be held on Friday, May 22, 2015, at the Compass Bank Building, 8080 N. Central Expressway, Suite 1350, Dallas, TX 75206, at 11:00 a.m., Central Daylight Savings time, and at any adjournment(s). If you need directions to the meeting site, you may call RENN Capital Group at (214) 891-8294. This Proxy Statement is being sent to shareholders on or about April 17, 2015.

The accompanying proxy card is designed to permit each shareholder to vote for or against, or to abstain from voting on, the proposals described in this Proxy Statement. When a shareholder’s executed proxy card specifies a choice with respect to a voting matter, the shares will be voted accordingly. **If no specifications are made, then the proxy will be voted by the persons serving as proxies at the Annual Meeting FOR:**

- (i) **the election of Charles C. Pierce, Jr., as a Class Two Director of the Fund, who is to hold office for a term of three (3) years or until his successor is elected and qualified; and**
- (ii) **the ratification of the appointment of BKD, LLP, as the Fund’s independent auditor for the fiscal year ending December 31, 2015.**

The Board of Directors encourages the shareholders to attend the Annual Meeting in person. Executing and returning the accompanying proxy card will not affect a shareholder’s right to attend the Annual Meeting and to vote in person. Any shareholder who has given a proxy has the right to revoke it at any time before it is voted by giving written notice of revocation to Corporate Secretary, RENN Fund, Inc., 8080 North Central Expressway, Suite 210, LB 59, Dallas, Texas 75206-1857, by executing and delivering a later-dated proxy, or by attending the Annual Meeting and voting in person. No revocation notice or later-dated proxy, however, will be effective until received by the Fund at, or prior to,

the Annual Meeting. Revocation will not affect a vote on any matters taken prior to the receipt of the revocation. Mere attendance at the Annual Meeting will not by itself revoke the proxy.

In addition to soliciting proxies by mail, officers and directors of the Fund and officers, directors, and employees of RENN Capital Group, Inc., the investment adviser to the Fund (the "Adviser"), may solicit the return of proxies by personal interview, mail, telephone and facsimile. These persons will not receive additional compensation for their services, but will be reimbursed for out-of-pocket expenses. After the date of this Proxy Statement, but prior to the date of the Annual Meeting, the Fund may engage a proxy solicitation firm at a cost to be negotiated. Brokerage houses and other custodians, nominees, and fiduciaries will be requested by the Fund to forward solicitation material to the beneficial owners of shares. The Fund will pay all costs of solicitation.

The Fund's Annual Report to Shareholders for the 2014 fiscal year was mailed to all shareholders who are entitled to vote at the Annual Meeting for their review and reference. The Annual Report is not incorporated into this Proxy Statement and is not considered proxy soliciting material. You may retrieve a copy of the Fund's proxy materials and/or a copy of the Annual Shareholders Report for December 31, 2014, from the Fund's website at www.rencapital.com/renn_global.php, or you may call American Stock Transfer at (718) 921-8200, Extension 6856, and request that a copy be mailed to you free of charge.

The Fund's principal offices are located at 8080 North Central Expressway, Suite 210, LB 59, Dallas, Texas 75206-1857, and its telephone number is (214) 891-8294.

PURPOSES OF THE MEETING

At the Annual Meeting, Shareholders will consider and vote upon the following matters:

- (1) to elect Charles C. Pierce, Jr., as a Class Two Director of the Fund, who is to hold office for a term of three (3) years or until his successor is elected and qualified;
- (2) to ratify the appointment by the Fund's Board of Directors of BKD, LLP, as the auditor of the Fund for the fiscal year ending December 31, 2015;
- (3) to transact any and all other business that may properly be presented at the Annual Meeting or any adjournment(s).

RECORD DATE AND SHARE OWNERSHIP

The close of business on March 25, 2015, has been fixed as the record date (the "Record Date") for determining shareholders entitled to notice of and to vote at the Annual Meeting and any adjournment. At the close of business on the Record Date, the Fund had outstanding 4,463,967 shares of common stock held by approximately 432 registered owners and 738 beneficial owners.

QUORUM REQUIRED

A quorum must be present at the Annual Meeting for any business to be conducted. The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of all the votes entitled to be cast at the Annual Meeting will constitute a quorum. Abstentions will not be treated as shares present for quorum purposes. Broker shares for which the broker has not received voting instructions from the record holder and does not have discretionary authority to vote the shares on certain proposals (which are considered "Broker Non-Votes" with respect to such proposals) will be treated as shares present for quorum purposes.

If a quorum is not present at the Annual Meeting, the shareholders who are represented may adjourn the Annual Meeting until a quorum is present. The persons named as proxies will vote those proxies for such adjournment, unless marked to be voted against any proposal for which an adjournment is sought, to permit the further solicitation of proxies.

VOTE REQUIRED

Each share of common stock of the Fund is entitled to one vote. The common stock is the only class of securities of the Fund entitled to vote at the Annual Meeting. A shareholder is entitled to vote all shares of common stock held of record at the close of business on the Record Date, in person or by proxy, at the Annual Meeting. There are no cumulative voting rights. All votes will be tabulated by the Inspector of Elections appointed for the meeting, who will separately tabulate affirmative and negative votes, abstentions, and broker non-votes.

Approval of the election of the Class Three Director. The affirmative vote of a majority of the votes cast at the Annual Meeting is sufficient to elect Charles C. Pierce, Jr., as a Class Two Director.

Ratification of the Board's appointment of auditor of the Fund for the 2014 fiscal year. The affirmative vote of a majority of the shares present at the Annual Meeting is required for the ratification of the selection of the Fund's independent auditors. An abstention will have the effect of a vote against the ratification of the appointment of BKD, LLP, as the Fund's independent auditor, and a Broker Non-Vote will not have any effect on the vote to ratify that appointment.

Additional solicitation. If there are not enough votes to approve any proposals at the Annual Meeting, the shareholders who are represented may adjourn the Annual Meeting to permit the further solicitation of proxies. The persons named as proxies will vote those proxies for such adjournment, unless marked to be voted against any proposal for which an adjournment is sought to permit the further solicitation of proxies.

Also, a shareholder vote may be taken on any of the proposals in this Proxy Statement prior to any such adjournment if there are sufficient votes for approval of such proposal.

VOTING ELECTRONICALLY VIA THE INTERNET OR BY TELEPHONE

In lieu of mailing in the proxy card, shareholders whose shares are registered in their own names may vote either via the Internet or by telephone. Specific instructions to be followed by any registered shareholder interested in voting via the Internet or by telephone are set forth on the enclosed proxy card. The Internet and telephone voting procedures are designed to authenticate the shareholder's identity and to allow shareholders to vote their shares and confirm that their voting instructions have been properly recorded.

If your shares are registered in the name of a bank or brokerage firm, you may be eligible to vote your shares electronically over the Internet or by telephone. A large number of banks and brokerage firms are participating in the Broadridge Investor Communications Services online program, which provides eligible street-name shareholders the opportunity to vote via the Internet or by telephone. If your bank or brokerage firm is participating in that program, they will furnish you with a proxy card with instructions. If your proxy card does not reference Internet or telephone information, please complete and return the proxy card in the self-addressed, postage-paid envelope provided.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information known to the Fund with respect to beneficial ownership of the Fund's common stock as of December 31, 2014, for: (i) all persons who are beneficial owners of more than 5% of the outstanding shares of the Fund's common stock; (ii) each director of the Fund; and (iii) all executive officers and directors of the Fund as a group:

Name of Beneficial Owner	Number of Shares Beneficially Owned Directly or Indirectly	Percent of Class
Russell Cleveland, Chairman of the Board, President, and Chief Executive Officer (1)	359,618	(2) 8.06 %
Charles C. Pierce, Jr., Director	4,299	0.10 %
Ernest C. Hill, Director	0	0.00 %
J. Philip McCormick, Director	3,000	0.07 %
Other Current Officers	0	0.00 %
All Directors and Officers as a group (3 persons)	366,917	8.23 %

(1) Mr. Cleveland is an "Interested person" as defined by Section 2(a)(19) of the Investment Company Act of 1940 (the "1940 Act") by virtue of being an officer, director, and beneficial owner of all shares of the Fund's Investment Adviser and by being a limited partner in the Cleveland Family Limited Partnership, which owns more than 5% of the Fund's securities.

(2) All shares owned by the Cleveland Family Limited Partnership, of which Mr. Cleveland is a limited partner.

None of the above individuals beneficially owns equity securities in registered investment companies within the same Family of Investment Companies as the Fund. A “Family of Investment Companies” is two or more registered investment companies that share the same investment adviser and hold themselves out to investors as related companies for purposes of investment services. The Fund is not grouped with any such companies. None of the above individuals directly or indirectly owns beneficially or of record any class of securities of any entity controlling, controlled by, or under common control with the Adviser, other than as disclosed above regarding the Fund.

PROPOSAL ONE

Election of Class TWO Director

Pursuant to the Fund's Restated Articles of Incorporation and Bylaws, the Board of Directors is to consist of one or more directors, the number of which may be increased or decreased from time to time by resolution adopted by a majority of the Board.

The Board is divided into three classes, and each class normally serves for a three-year term. Under Texas law, procedures are available to remove directors even if they are not then standing for re-election. Otherwise, only those directors in a single class may be changed in any one year. Having a classified board of directors may be regarded as an "anti-takeover" provision by making it more difficult for shareholders to change the majority of directors, and may have the effect of maintaining the continuity of management.

Shareholders wishing to recommend qualified candidates for consideration by the Fund may do so by submitting their nomination in writing to, Corporate Secretary, RENN Fund, Inc., 8080 N. Central Expressway, Suite 210, LB 59, Dallas, Texas 75206. Such nominations must be submitted in conformity with Rules 14a-8 and 14a-11 of the Securities and Exchange Act of 1934, as applicable. The deadline for submitting nominations for this Annual Meeting was December 24, 2014. The deadline for submitting nominations for the Annual Meeting to be held in 2016 will be approximately December 24, 2015.

The nominee for a Class Two Director receiving the majority of the votes cast for that directorship will be elected.

Information Concerning Nominee and Continuing Directors

Term of Office. The term of office of the Class Two Director expires at this Annual Meeting of Shareholders. The current Class Two director, Charles C. Pierce, Jr., is proposed to be re-elected at the Annual Meeting, to serve for a term of three (3) years or until his successor is elected and qualified. Term of office of the Class Three Directors will expire at the Annual Meeting to be held in 2016, and the terms of office for the Class One Directors will expire at the Annual Meeting to be held in 2017.

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Name,	Position(s) Held with the Fund, Principal Occupation(s) During Past 5 Years, and Other Directorships	Current Term and Time Served	Portfolios in Fund Complex ⁽²⁾ Overseen by Director	Dollar Range of Shares in Fund
Interested Directors: Russell Cleveland ⁽³⁾ Age 76	President and CEO of the Adviser	Annual		