

Oxford Lane Capital Corp.  
Form 497  
June 10, 2013

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**Filed pursuant to Rule 497  
File No. 333-183228**

## **PRELIMINARY PROSPECTUS SUPPLEMENT, SUBJECT TO COMPLETION, DATED JUNE 10, 2013**

### **PROSPECTUS SUPPLEMENT (to Prospectus dated October 10, 2012)**

\$

## **Oxford Lane Capital Corp.**

### **Preferred Stock Shares, % Series 2023 Liquidation Preference \$25 per Share**

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

We are offering shares of our % Series 2023 preferred stock, or the Series 2023 Term Preferred Shares. We will pay monthly dividends on the Series 2023 Term Preferred Shares at an annual rate of % of the \$25 liquidation preference per share, or \$ per Series 2023 Term Preferred Share per year, on the last business day of each month, commencing on July 31, 2013.

We are required to redeem all of the outstanding Series 2023 Term Preferred Shares on June 30, 2023 at a redemption price equal to \$25 per share plus an amount equal to accumulated but unpaid dividends, if any, to the date of redemption. We cannot effect any amendment, alteration or repeal of our obligation to redeem all of the Series 2023 Term Preferred Shares on June 30, 2023 without the prior unanimous consent of the holders of Series 2023 Term Preferred Shares. If we fail to maintain an asset coverage ratio of at least 200% (as described in this prospectus supplement), we will redeem a portion of the outstanding Series 2023 Term Preferred Shares in an amount at least equal to the lesser of (1) the minimum number of shares of Series 2023 Term Preferred Shares necessary to cause us

to meet our required asset coverage ratio and (2) the maximum number of Series 2023 Term Preferred Shares that we can redeem out of cash legally available for such redemption. At any time on or after June 30, 2016, at our sole option, we may redeem the Series 2023 Term Preferred Shares at a redemption price per share equal to the sum of the \$25 liquidation preference per share plus an amount equal to accumulated but unpaid dividends, if any, on the Series 2023 Term Preferred Shares.

Each holder of our Series 2023 Term Preferred Shares together with the holders of our 8.50% Series 2017 preferred stock, or the Series 2017 Term Preferred Shares, (and any other preferred stock we may issue in the future) will be entitled to one vote for each share held by such holder on any matter submitted to a vote of our stockholders, and the holders of all of our outstanding preferred stock and common stock will vote together as a single class. The holders of the Series 2023 Term Preferred Shares together with the holders of our Series 2017 Term Preferred Shares (and any other preferred stock we may issue in the future), voting separately as a class, will elect at least two of our directors and, upon failure to pay dividends for at least two years, will elect a majority of our directors.

The Series 2023 Term Preferred Shares will rank *pari passu*, or equally, in right of payment with our Series 2017 Term Preferred Shares and all other shares of preferred stock that we may issue in the future, and will rank senior in right of payment to all of our common stock.

We intend to apply to list the Series 2023 Term Preferred Shares on the NASDAQ Global Select Market and we expect trading to commence thereon within 30 days after the date of initial delivery of the Series 2023 Term Preferred Shares under the symbol . Our common stock is traded on the NASDAQ Global Select Market under the symbol OXLC. On June 7, 2013, the last sale price of our common stock as reported on NASDAQ Global Select Market was \$16.97 per share. Our Series 2017 Term Preferred Shares are traded on the NASDAQ Global Select Market under the symbol OXLCP . On June 7, 2013, the last sale price of our Series 2017 Term Preferred Shares as reported on NASDAQ Global Select Market was \$26.18 per share. The Series 2023 Term Preferred Shares will not be convertible into our common stock or any other security of our company.

We are required to determine the net asset value per share of our common stock on a quarterly basis. Our net asset value per share of our common stock as of March 31, 2013 was \$16.20.

**An investment in our preferred stock is subject to risks and involves a heightened risk of total loss of investment. Common shares of closed-end investment companies frequently trade at a discount to their net asset value. In addition, the CLO securities in which we invest are subject to special risks. See Risk Factors beginning on page S-15 of this prospectus supplement and page 15 of the accompanying prospectus to read about factors you should consider, including the risk of leverage, before investing in our preferred stock.**

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

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

	Per Share	Total
Public Offering Price	\$	\$
Sales Load (Underwriting Discounts and Commissions)	\$	\$
Proceeds, before expenses, to Oxford Lane Capital Corp. <sup>(1)</sup>	\$	\$

Total expenses of the offering payable by us, excluding underwriting discounts and commissions, are estimated to be \$325,000. There will be additional items of value paid in connection with this offering that are viewed by the (1) Financial Regulatory Authority, Inc. as underwriting compensation. Payment of this additional underwriting compensation will reduce the proceeds to us, before expenses. See Underwriting.

We have granted the underwriters a 30-day option to purchase up to an additional Series 2023 Term Preferred Shares from us on the same terms and conditions set forth above to cover over-allotments, if any. If such option is (2) exercised in full, the public offering price, underwriting discounts and commissions and proceeds, before expenses, to us would be \$ , \$ and \$ , respectively. See Underwriting .

The underwriters expect to deliver the shares on or about , 2013.

*Joint Book-Running Managers*

Ladenburg Thalmann & Co. Inc.

**MLV & Co.**  
*Lead Managers*

**Maxim Group LLC**

**National Securities Corporation**  
*Co-Manager*

**Henley & Company**

**Prospectus Supplement dated , 2013.**

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## **ABOUT THIS PROSPECTUS SUPPLEMENT**

We have filed with the Securities and Exchange Commission a registration statement on Form N-2 (file No. 333-183228) utilizing a shelf registration process relating to the securities described in this prospectus supplement, which registration statement was declared effective on October 10, 2012. This document is in two parts. The first part is the prospectus supplement, which describes the terms of this offering of Series 2023 Term Preferred Shares and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information and disclosure. To the extent the information contained in this prospectus supplement differs from or is additional to the information contained in the accompanying prospectus, you should rely only on the information contained in this prospectus supplement. Please carefully read this prospectus supplement and the accompanying prospectus together with the additional information described under the headings Available Information and Risk Factors included in this prospectus supplement and the accompanying prospectus, respectively, before investing in the Series 2023 Term Preferred Shares.

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

**The Series 2023 Term Preferred Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.**

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## SUMMARY

*The following summary contains basic information about the offering of shares of our Preferred Stock pursuant to this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all the information that is important to you. For a more complete understanding of the offering of shares of our Preferred Stock pursuant to this prospectus supplement, we encourage you to read this entire prospectus supplement and the accompanying prospectus, including the Articles Supplementary Establishing and Fixing the Rights and Preferences of Oxford Lane Capital Corp. Term Preferred Shares, or the Articles Supplementary, which is attached as Appendix A to this prospectus supplement, and the documents to which we have referred in this prospectus supplement and the accompanying prospectus. Together, these documents describe the specific terms of the shares we are offering. You should carefully read the section entitled Risk Factors included in this prospectus supplement and the accompanying prospectus and the section entitled Business and our consolidated financial statements included in the accompanying prospectus.*

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

## Business Overview

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

We have initially implemented our investment objective by purchasing portions of equity and junior debt tranches of collateralized loan obligation (CLO) vehicles. Substantially all of the CLO vehicles in which we may invest would be deemed to be investment companies under the 1940 Act but for the exceptions set forth in section 3(c)(1) or section 3(c)(7). Structurally, CLO vehicles are entities that were formed to originate and manage a portfolio of loans. The loans within the CLO vehicle are limited to loans which meet established credit criteria and are subject to concentration limitations in order to limit a CLO vehicle's exposure to a single credit. A CLO vehicle is formed by raising various classes or tranches of debt (with the most senior tranches being rated AAA to the most junior tranches typically being rated BB or B) and equity. The CLO vehicles which we focus on are collateralized primarily by senior secured loans made to companies whose debt is unrated or is rated below investment grade (Senior Loans), and generally have very little or no exposure to real estate, mortgage loans or to pools of consumer-based debt, such as credit card receivables or auto loans. We may also invest, on an opportunistic basis, in other corporate credits of a variety of types. We expect that each of our investments will range in size from \$2 million to \$15 million, although the investment size may vary consistent with the size of our overall portfolio.

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

## Distributions

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



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

Date Declared	Record Date	Payment Date	Amount
Fiscal 2014			
May 22, 2013	June 14, 2013	June 28, 2013	\$ 0.55
Total (2014)			0.55
Fiscal 2013			
February 6, 2013	March 15, 2013	March 29, 2013	0.55
October 23, 2012	December 17, 2012	December 31, 2012	0.55
July 31, 2012	September 14, 2012	September 28, 2012	0.55
May 22, 2012	June 15, 2012	June 29, 2012	0.55
Total (2013)			2.20
Fiscal 2012			
January 25, 2012	March 16, 2012	March 30, 2012	0.55
October 24, 2011	December 16, 2011	December 30, 2011	0.50
July 22, 2011	September 16, 2011	September 30, 2011	0.50
April 6, 2011	June 16, 2011	June 30, 2011	0.50
Total (2012)			2.05
Fiscal 2011			
March 7, 2011	March 21, 2011	April 1, 2011	0.25
Total (2011)			0.25
			\$ 5.05

For fiscal 2013, we paid \$459,222 in preferred dividends on the Series 2017 Term Preferred Shares; for the first quarter of fiscal 2014 we paid or declared a total of \$336,021 in such dividends.

For accounting purposes the distributions declared on our common stock for the fiscal periods ended March 31, 2013, 2012 and 2011 were in excess of the reported earnings. However, as a RIC, earnings and distributions are determined on a tax basis. Furthermore, taxable earnings are determined according to tax regulations and differ from reported income for accounting purposes. Therefore, for the fiscal periods ended March 31, 2012 and 2011, distributions were spilled-back for tax purposes in an amount equal to taxable earnings. Based on current estimates of taxable earnings for fiscal 2013, we do not expect that any portion of the above-referenced dividends will represent a tax return of capital to our stockholders; however, there can be no assurance that actual results will not differ materially from the projections and assumptions upon which the amount of such dividend was based. To the extent that taxable earnings for any fiscal year are less than the amount of the dividends paid during the year, there would be a tax return of capital to shareholders. The tax character of any distributions will be determined after the end of the fiscal year.

### Use of Proceeds From Prior Offerings

Since the closing of our initial public offering on January 25, 2011, three subsequent rights offerings on August 26, 2011, April 27, 2012 and February 15, 2013, respectively, and a Preferred Stock offering on November 28, 2012, through June 7, 2013 we have invested approximately \$118.0 million (which includes the purchase of accrued interest) of the \$124.9 million in cumulative net proceeds we received from our initial public offering (including the proceeds received from the underwriters' partial exercise of the over-allotment option), subsequent rights offerings, and a Preferred Stock offering, representing approximately 94% of those cumulative proceeds. Consistent with our investment objective, these investments were made in junior debt and equity tranches of CLOs.

# Oxford Lane Management

Our investment activities are managed by Oxford Lane Management, which is an investment adviser that has registered under the Investment Advisers Act of 1940, or the Advisers Act. Under our investment advisory agreement with Oxford Lane Management, which we refer to as our Investment Advisory

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Agreement, we have agreed to pay Oxford Lane Management an annual base management fee based on our gross assets, as well as an incentive fee based on our performance. See Investment Advisory Agreement.

We expect to benefit from the proven ability of our investment adviser's team to identify attractive opportunities, conduct diligence on and value prospective investments, negotiate terms where appropriate, and manage and monitor a diversified portfolio although we do not intend to operate as a diversified investment company within the meaning of the 1940 Act. Our investment adviser's senior investment team members have broad investment backgrounds, with prior experience at investment banks, commercial banks, unregistered investment funds and other financial services companies, and have collectively developed a broad network of contacts to provide us with our principal source of investment opportunities.

Our investment adviser is led by Jonathan H. Cohen, our Chief Executive Officer and Saul B. Rosenthal, our President. Messrs. Cohen and Rosenthal are assisted by Darryl Monasebian and Hari Srinivasan, who serve as Executive Vice President and Managing Director of Oxford Lane Management, respectively. Oxford Lane Management's investment committee consists of Messrs. Cohen, Rosenthal and Monasebian. We consider Messrs. Cohen, Rosenthal, Monasebian and Srinivasan to be Oxford Lane Management's senior investment team.

Messrs. Cohen and Rosenthal together with the other members of Oxford Lane Management's investment team, have developed an infrastructure that we believe provides Oxford Lane Capital with a competitive advantage in locating and acquiring attractive Senior Loans and CLO investments.

Charles M. Royce is a non-managing member of Oxford Lane Management. Mr. Royce has served as President since 1972, and a member of the Board of Managers since 2001, of Royce & Associates, LLC ( Royce & Associates ). He also serves as Royce & Associates' Co-Chief Investment Officer and manages or co-manages twelve of Royce & Associates' open- and closed-end registered funds. Mr. Royce currently serves on the Board of Directors of The Royce Funds and TICC Capital Corp. Mr. Royce is also a non-managing member of TICC Management, LLC, the investment adviser for TICC Capital Corp. Mr. Royce, as a non-managing member of Oxford Lane Management, does not take part in the management or participate in the operations of Oxford Lane Management; however, Mr. Royce may be available from time to time to Oxford Lane Management to provide certain consulting services without compensation. Royce & Associates is a wholly owned subsidiary of L