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July 23, 2020

VIA ELECTRONIC MAIL (IMshareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Office of the Chief Counsel
Division of Investment Management
100 F Street, N.E.
Washington, D.C. 20549

RE: Prospect Capital Corporation
Securities and Exchange Act of 1934 – Rule 14a-8
Omission of Stockholder Proposal Submitted by Michelle H. Bronsted

Ladies and Gentlemen:

We refer to our letter dated June 23, 2020 (the "No Action Request"), pursuant to which we requested that the staff (the "Staff") of the Securities and Exchange Commission (the "Commission") concur with Prospect Capital Corporation's (the "Company") view that the stockholder proposal and supporting statement (collectively, the "Initial Proposal") purported to be submitted by Michelle H. Bronsted (the "Nominal Proponent"), but actually submitted by Mark S. Cane, the Nominal Proponent's father, may be properly omitted from the proxy materials (the "Proxy Materials") to be distributed by the Company in connection with its 2020 annual meeting of stockholders (the "Annual Meeting"). This letter supplements our No Action Request.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008), this letter and its attachments are being emailed to imshareholderproposals@sec.gov. In accordance with Rule 14a-8(j)(1), a copy of this letter and its attachments are being sent simultaneously to the Nominal Proponent. We take this opportunity to inform the Nominal Proponent that if the Nominal Proponent elects to submit correspondence to the Commission or the Staff with respect to the New Proposal (as defined herein) or this letter, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and Staff Legal Bulletin No. 14D. We request that such copy be emailed to us at michael.hoffman@skadden.com and kenneth.burdon@skadden.com.

THE NEW PROPOSAL

The Nominal Proponent submitted a letter to the Staff, dated June 26, 2020, responding to the No Action Request (the "Nominal Proponent Letter"), which included as an attachment a proposed revision to the Initial Proposal (the "New Proposal"). A copy of the New Proposal and related correspondence is attached hereto as Exhibit A. The Company's Secretary received a copy of the New Proposal via email on June 26, 2020, concurrently with receipt thereof by the Staff and us.[1]

Mr. Cane also submitted a letter to the Staff via email, that was concurrently received by the Company's Secretary and us on June 26, 2020, in which he indicated that he has withdrawn his proposal (the "Cane Letter") that the No Action Request references. A copy of this letter is attached hereto as Exhibit B.

BASES FOR EXCLUSION

The Company believes that the New Proposal should be properly excluded from the Proxy Materials pursuant to:

- Rule 14a-8(e)(2) because the New Proposal was received after the deadline for submitting proposals; and
- Rule 14a-8(i)(3) because the New Proposal contains materially false and misleading statements.

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[1] The Company also received a hard copy of the New Proposal at its principal executive offices on July 8, 2020.

ANALYSIS

1. The New Proposal should be properly excluded from the Proxy Materials pursuant to Rule 14a-8(e)(2) because the Company received the New Proposal at its principal executive office after the deadline for submitting proposals for the Annual Meeting pursuant to Rule 14a-8.

Outside of the process for correcting procedural deficiencies pursuant to Rule 14a-8(f)(1), there is no provision in Rule 14a-8 that allows a shareholder to revise his or her proposal after the Rule 14a-8(e) deadline for submitting proposals has passed. The Staff provides applicable guidance in Staff Legal Bulletin No. 14F (Oct. 18, 2011) ("SLB No. 14F"):

> If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company's notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

Under Rule 14a-8(e)(2), a proposal submitted with respect to a company's regularly scheduled annual meeting must be received "at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting." A different deadline applies "if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting."

The Company's proxy statement for its 2019 annual meeting of stockholders, held on December 3, 2019 (the "2019 Annual Meeting"), was dated September 9, 2019 and was filed with the Commission, released and made available to the Company's stockholders on September 9, 2019 (the "Company's 2019 proxy statement").[2] Although the Company's board of directors has yet to announce the date of the Annual Meeting, such meeting will be held within 30 days of the date of the 2019 Annual Meeting. Accordingly, pursuant to Rule 14a-8(e)(2), all stockholder proposals were required to be received at the Company's principal executive office on or before May 12, 2020, which is 120 calendar days before September 9, 2020. Pursuant to Rule 14a-8(e)(2) and Rule 14a-5(e), the Company disclosed in the Company's 2019 proxy statement the

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[2] The Company's 2019 proxy statement contains a statement referencing September 19, 2019 as the date on which the Company's 2019 proxy statement was first being sent to stockholders. This statement actually refers to the date on which the Company's proxy solicitor completed a bulk mailing of the Company's 2019 proxy statement. As discussed herein, the Company's 2019 proxy statement was released and first made available to stockholders on September 9, 2019.

deadline for submitting stockholder proposals for the Annual Meeting. Specifically, page 20 of the Company's 2019 proxy statement states under the caption "Submission of Stockholder Proposals":

> [A] stockholder proposal of business intended to be considered at the 2020 Annual Meeting of Stockholders must be received by the Secretary not later than May 13, 2020 to be eligible for inclusion in our 2020 Proxy Statement . . .
>
> . . . .
>
> Proposals should be addressed to Corporate Secretary, c/o Prospect Capital Corporation, 10 East 40th Street, 42nd Floor, New York, New York 10016.[3]

The Staff has made it clear that it will strictly enforce the deadline for submission of proposals without inquiring as to the reasons for failure to meet the deadline, even in cases where the proposal is received only a few days late (including one day). See, e.g., CoreCivic, Inc. (Jan. 2, 2018); Wal-Mart Stores, Inc. (Mar. 26, 2010); Johnson & Johnson (Jan. 13, 2010); Wal-Mart Stores, Inc. (Feb. 13, 2017). Additionally, in an accordance with SLB. 14F, the Staff has consistently permitted exclusion of a revised proposal under Rule 14a-8(e)(2) that was received at the company's principal executive offices after the deadline for submitting shareholder proposals following the proponent's submission of a timely proposal. For example, in IDACORP, Inc. (March 16, 2012), the proponent submitted a revised proposal directly to the Staff after the company submitted its initial no action request relating to the original proposal submission. The company in a subsequent letter noted that the revised proposal was submitted 55 days after the company's deadline and argued that the revised proposal should be deemed a second proposal and excluded under Rule 14a-8(e)(2). The Staff granted relief, stating that it would not recommend enforcement action to the Commission if the company omits the revised proposal from its proxy materials in reliance on Rule 14a-8(e)(2). See also Huron Consulting Group Inc. (Jan. 4, 2017) (permitting exclusion of a "second proposal under Rule 14a-8(e)(2) because [the company] received it after the deadline for submitting proposals"); Community Health Systems, Inc. (Mar. 7, 2014) (same); General Electric Co. (Jan. 30, 2013) (same); and Costco Wholesale Corp. (Nov. 20, 2012) (same).

In this instance, the Company received the New Proposal via email on June 26, 2020,[4] 44 days and well after the May 13, 2020 deadline for submitting stockholder proposals. Similar to IDACORP, the New Proposal was submitted directly to the Staff in response to the No

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[3] The Company notes that the disclosed deadline for the submission of Rule 14a-8 proposals is 1 day after the properly calculated deadline of May 12, 2020. The Company nonetheless honored the disclosed deadline and determined that the Initial Proposal and Mr. Cane's Rule 14a-8 proposals, both received by the Company on May 13, 2020, were timely submitted.

[4] The Company notes a hard copy of the New Proposal was not received at the Company's principal executive offices until July 8, 2020.

Action Request, prior to a decision by the Staff. The Company did not provide the Nominal Proponent with the 14-day deficiency notice described in Rule 14a-8(f)(1) because a notice is not required if a proposal's defect cannot be cured. As the Staff explained in Staff Legal Bulletin No. 14 (July 13, 2001): "The company does not need to provide the shareholder with a notice of defect(s) if the defect(s) cannot be remedied . . . for example, if . . . the shareholder failed to submit a proposal by the company's properly determined deadline." Therefore, the Company is not required to send a notice under Rule 14a-8(f)(1) in order for the New Proposal to be excluded under Rule 14a-8(e)(2).

Moreover, as discussed in detail in the No Action Request, the facts and circumstances surrounding the proposals submitted by Mr. Cane and the Nominal Proponent continue to demonstrate that the Nominal Proponent is acting not independently of Mr. Cane, but rather acting with Mr. Cane in a coordinated, manipulated effort to evade the requirements of Rule 14a-8. Even though Mr. Cane and the Nominal Proponent had ample opportunity to submit a proposal that satisfied the requirements of Rule 14a-8, they declined to do so. In declining to do so, they appear to have not even expended the effort to gain a basic understanding of the proper substantive matters for and basic legal limitations on shareholder proposals submitted under Rule 14a-8. Rather, they appear to have submitted an improper blizzard of proposals to the Company with a hope and a prayer that one might pass muster. None of them passed muster. Now, incredibly, Mr. Cane and the Nominal Proponent are seeking to have the New Proposal included in the Proxy Materials after usurping the Company's resources to obtain a roadmap to Rule 14a-8 compliance and thereby attempting to finally craft one single proposal that might not violate Rule 14a-8, all the while submitting it well after the Rule 14a-8(e) deadline. This is plainly and simply an abuse of the Rule 14a-8 process and exemplifies a situation where a shareholder is unreasonably attempting to submit proposals at the expense of other shareholders as well as in violation of a process well defined by the Staff and the Commission.[5] See Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8, Exchange Act Release No. 34-87458 (Nov. 5, 2019) (reflecting this policy concern); Adoption of Amendments Relating to Proposals by Security Holders, Exchange Act Release No. 34-12999 (Nov. 22, 1976) (reflecting this policy concern).

Contrary to the suggestion in both the Cane Letter and the Nominal Proponent Letter, Rule 14a-8 does not impose an obligation on a company to assist the proponents in correcting their deficient submissions. Here, Mr. Cane and the Nominal Proponent submitted deficient proposals, waited for the Company to expend time, effort and considerable legal expense (unfortunately borne by the Company and not Mr. Cane) to respond to their deficient proposals. Mr. Cane and the Nominal Proponent are now attempting, 44 days after the May 13, 2020 deadline has passed, to remedy their deficient submissions by offering a brand new

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[5] Mr. Cane and members of his family, Camilla C. Cane and Michelle H. Bronsted, originally submitted no fewer than five stockholder proposals for inclusion in the Proxy Materials. Through their own errors and the Rule 14a-8 deficiency and no action process, Mr. Cane and the Nominal Proponent finally reduced their submissions to one proposal and are now attempting to characterize the late submission of the New Proposal as a valid Rule 14a-8 proposal submission.

proposal, which they have characterized as a mere "modification" of the Initial Proposal. Accordingly, we respectfully request the Staff's concurrence with the Company's view that the New Proposal may be excluded from the Proxy Materials because the New Proposal was not submitted to the Company by the deadline calculated pursuant to Rule 14a-8(e)(2) or by the deadline disclosed in the Company's 2019 proxy statement. Moreover, the Company continues to believe that the Initial Proposal is excludable from the Proxy Materials for the reasons set forth in the No Action Request.

2. The Company may exclude the New Proposal pursuant to Rule 14a-8(i)(3) because the New Proposal contains materially false and misleading statements.

Rule 14a-8(i)(3) permits a company to omit a shareholder proposal and related supporting statement from its proxy materials if "the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials." See Staff Legal Bulletin No. 14B (Sept. 15, 2004) ("SLB 14B"). Specifically, Rule 14a-9(a) prohibits any statement that is "false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading." In SLB 14B, the Staff acknowledged that companies have relied on Rule 14a-8(i)(3) to exclude statements included in a supporting statement, even if the balance of the proposal and the supporting statement may not be excluded, and indicated that "reliance on [R]ule 14a-8(i)(3) to exclude or modify a statement may be appropriate where . . . the company demonstrates objectively that a factual statement is materially false or misleading." Consistent with SLB 14B, the Staff has permitted companies to exclude one or more statements from a proposal's supporting statement under Rule 14a-8(i)(3) where those statements were materially false or misleading. See, e.g., Rite Aid Corp. (Mar. 13, 2015) (permitting exclusion under Rule 14a-8(i)(3) of a sentence included in the supporting statement falsely claiming, among other things, that the Commission supported the proposal); Bob Evans Farms, Inc. (June 26, 2006) (permitting exclusion under Rule 14a-8(i)(3) of a paragraph included in the supporting statement falsely claiming that the proposal had received "tremendous shareholder support"); Piper Jaffray Cos. (Feb. 24, 2006) (permitting exclusion under Rule 14a-8(i)(3) of a paragraph included in the supporting statement falsely claiming that management had demonstrated a disregard for shareholders' interests).

The Staff has also concurred that a company may properly exclude entire shareholder proposals and supporting statements where they contain false and misleading statements or omit material facts necessary to make such statements not false and misleading. See Entergy Corp. (Feb. 14, 2007) (permitting the exclusion of the entire proposal which contained false and misleading statements relating to management and the board); The Swiss Helvetia Fund, Inc. (April 3, 2001) (permitting exclusion of entire proposal due to unsupported statements insinuating that directors may have violated, or may choose to violate, their fiduciary duties); and General Magic, Inc. (May 1, 2000) (permitting exclusion of proposal relating to change of name of company which contained false and misleading statements). Additionally, Section B.4 of Staff Legal Bulletin No. 14B (CF) (Sept. 15, 2004) provides that the Staff "may find it appropriate for companies to exclude the entire proposal, supporting statement, or both as

materially false or misleading if a proposal or supporting statement would require detailed and extensive editing in order to bring it into compliance with the proxy rules." As discussed below, the Company believes that the entire New Proposal should be excluded pursuant to Rule 14a-8(i)(3) as materially false and misleading in violation of Rule 14a-9.

Here, the New Proposal presents a materially false and misleading characterization of the Company's corporate governance structure. First, it attempts to require the Company to compare itself to companies that are not its peers. The supporting statement contains the following materially misleading statements:

- "Dr. Nili pointed out that through the year 2015, 'The percentage of (S&P 500) boards serving one year terms has risen every year and currently stands at ninety-three percent, more than double what it was a decade ago (forty percent).'"
- "Support for the trend away from classified or staggered boards is further illustrated by the fact that, in its 2019 voting guidelines . . ."
- "In order to improve director accountability to shareholders and help make Prospect Capital *comparable with general industry standards* regarding board terms . . ." [Emphasis added.]

These statements are materially misleading because they imply that the S&P 500 is an appropriate comparison group for the Company for purposes of evaluating the Company's board structure and suggest that the Company is an outlier as compared to prevailing trends and "general industry standards." The New Proposal is silent with respect to the Company's unique structure as a business development company ("BDC") and the Nominal Proponent omits that there are **no** listed BDCs in the S&P 500. In contrast to the boards of S&P 500 companies, an overwhelming majority of the boards of listed BDCs—approximately 90%—are classified.[6] Accordingly, as compared to other listed BDCs, which is the most relevant and appropriate comparison group for evaluating the Company's corporate governance structure, the Company's board structure is consistent with general industry standards and trends for closed-end funds, including BDCs. The New Proposal, however, grossly oversimplifies the corporate governance practices of publicly traded companies, making no distinction between closed-end funds, including BDCs, and operating companies. As discussed at length in the ICI Report, classified

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[6] Based on the Company's review of industry lists of listed BDCs, there are currently 50 listed BDCs, and 45 out of 50 of these BDCs have a classified board structure. The Investment Company Institute (the "ICI") notes in its March 2020 publication, "Recommendations Regarding the Availability of Closed-End Fund Takeover Defenses" (the "ICI Report"), that according to a survey distributed to ICI members on closed-end funds, at year end 2019, 88% of the survey participants' listed registered closed-end funds had classified boards. BDCs are a type of closed-end fund that are regulated, but not registered, under the Investment Company Act of 1940, as amended (the "1940 Act"), and this statistic relating to registered closed-end funds is consistent with the Company's findings that a vast majority of BDCs have classified boards.

boards provide closed-end funds and their shareholders with important benefits, including, among other benefits:

- long-term stability and continuity to pursue the fund's stated investment objectives and ensure they are aligned with the expectations of the fund's long-term investors;
- protection against investors with short-term objectives that are contrary to the fund's investment objectives;
- director independence from both management and activist shareholders;
- a committed board with experienced directors; and
- better succession planning.

Not surprisingly, closed-end funds recognize the benefits and protections that a classified board structure provides to a fund and its shareholders, and a majority of closed-end funds, including BDCs (as noted above), have classified boards given their unique position of not running an operating business but rather overseeing the management of shareholders' money in order to achieve a desired investment objective through a particular investment strategy to which shareholders have sought exposure. This classified board structure is also expressly acknowledged and permitted under Section 16(a) of the 1940 Act: "Nothing herein shall, however, preclude a registered investment company from dividing its directors into classes if its charter, certificate of incorporation, articles of association, by-laws, trust indenture, or other instrument or the law under which it is organized, so provides and prescribes the tenure of office of the several classes . . ." Because the New Proposal is premised on a materially false and misleading characterization of the Company's corporate governance structure, in a clear attempt by the Nominal Proponent to discredit the Company's board of directors, the Company believes that the New Proposal is excludable under Rule 14a-8(i)(3).

We respectfully request the Staff's concurrence with the Company's view that the New Proposal may be excluded from the Proxy Materials because the New Proposal contains materially false and misleading statements.

REQUEST FOR WAIVER

The Company further requests that the Staff waive the 80-day filing requirement set forth in Rule 14a-8(j) for good cause. Rule 14a-8(j)(1) requires that, if a company "intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission." However, Rule 14a-8(j)(1) allows the Staff to waive the deadline if a company can show "good cause." As discussed in the No Action Request, the Company presently intends to file and begin distribution of its definitive Proxy Materials on or after September 11, 2020.

The Company did not receive the New Proposal until June 26, 2020 (via email), 77 days prior to the Company's September 11, 2020 file date.[7] The tardiness of the New Proposal made it impossible for the Company to comply with the 80-day filing requirement.

The Staff has previously found "good cause" to waive the 80-day requirement in Rule 14a-8(j)(1) where the untimely submission of a proposal prevented a company from satisfying the 80-day provision. See Staff Legal Bulletin No. 14B (Sept. 15, 2004) (indicating that the "most common basis for the company's showing of good cause is that the proposal was not submitted timely and the company did not receive the proposal until after the 80-day deadline had passed"); TD Ameritrade Holding Corp. (Dec. 14, 2016); CUI Global, Inc. (Aug. 26, 2015); Female Health Co. (Jan. 8, 2015); IDACORP.

The Company believes that it has good cause for its inability to meet the 80-day deadline, and we respectfully request that the Staff waive the 80-day requirement with respect to this letter.

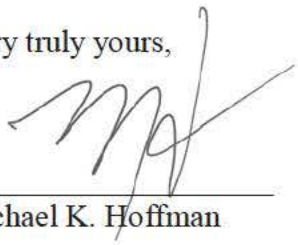
* * *

CONCLUSION

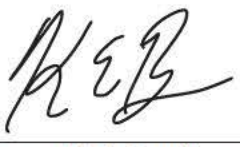
Based upon the foregoing analysis, and without addressing or waiving any other possible grounds for exclusion, we respectfully request that the Staff concur that it will take no action if the Company excludes the Initial Proposal and the New Proposal from its Proxy Materials. Should the Staff disagree with the conclusions set forth in this letter or the No Action Request, or should any additional information be desired in support of the Company's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response.

Please do not hesitate to contact the undersigned at (212) 735-3406 (Mr. Hoffman) or (617) 573-4836 (Mr. Burdon).

Very truly yours,



Michael K. Hoffman



Kenneth E. Burdon

cc: Kristin Van Dask,
Prospect Capital Corporation

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[7] The Company did not receive the New Proposal in hard copy at its principal executive offices until July 8, 2020, only 65 days prior to the Company's September 11, 2020 file date.

Exhibit A

From: Michelle [redacted]>
Date: June 26, 2020 at 10:24:31 PM EDT
To: "IMshareholderproposals@sec.gov" <IMshareholderproposals@sec.gov>
Cc: "Hoffman, Michael K (NYC)" <Michael.Hoffman@skadden.com>, "kvandask@prospectcap.com" <kvandask@prospectcap.com>, "Burdon, Kenneth E (BOS)" <Kenneth.Burdon@skadden.com>, [redacted]"
[redacted]
Subject: [Ext] SEC Rule 14a-8 letter from Michelle H Bronsted regarding Prospect Capital.pdf

Ladies and Gentlemen:

Attached is my response to a Rule 14a-8 no action request submitted to you on behalf of Prospect Capital Corporation. This has to do with a shareholder resolution I had submitted for Prospect's 2020 annual meeting of stockholders.

I am also mailing six hard copies of this reply to you.

Thank you,
Michelle H. Bronsted

-Michelle

Michelle H. Bronsted
[redacted]

June 26, 2020

VIA ELECTRONIC MAIL (IMshareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Office of the Chief Counsel
Division of Investment Management
100 F Street
Washington, D.C. 20549

RE: Prospect Capital Corporation
Securities and Exchange Act of 1934 – Rule 14a-8
Omission of Stockholder Proposal submitted by Michelle H. Bronsted

Ladies and Gentlemen:

On June 23, 2020, Michael K. Hoffman and Kenneth E. Burdon of the law firm of Skadden, Arps, Slate, Meagher & Flom LLP wrote to you related to a shareholder resolution I submitted to Prospect Capital Corporation. They claimed that my proposed resolution should not be allowed to be included in the proxy materials for shareholders related to Prospect Capital's 2020 annual stockholders meeting.

Kristin Van Dask of Prospect Capital sent me a letter on May 26, 2020. In it she claimed that my proposed submission was not really from me and that it was actually my father's, Mark S. Cane. She did not question my eligibility to submit a shareholder proposal and resolution but she said my submission was deficient because Mr. Cane had also submitted a shareholder proposal. I responded to her on June 2, 2020 stating that while Mr. Cane had provided substantial assistance to me, my proposed resolution was actually from me. Copies of all of this correspondence were included in the material sent to you by Mr. Hoffman and Mr. Burdon.

In their letter to you, Mr. Burdon and Mr. Hoffman made the same claim as Ms. Van Dask as justification for not allowing my resolution to appear in the Prospect Capital proxy material. In addition they added another alleged deficiency stating that my proposal would violate Rule 14a-8(i)(8) because it "would improperly remove a director from office before his term expired and could otherwise affect the outcome of the election of directors at the Annual Meeting." I understand where they are coming from with this claim and to do what they said would not be my intent. If Ms. Van Dask had pointed this out in her letter to me on May 26 I would have fixed my resolution before it reached you.

Therefore, because this is the first time this deficiency has been brought to my attention, I ask that I be permitted to modify my proposed resolution. I have attached an edited version of the entire proposed submission. As you can see, my edited resolution now states:

Resolution - In order to improve director accountability to shareholders and help make Prospect Capital comparable with general industry standards regarding board terms, shareholders request our Board of Directors to adopt as a policy, and take the steps necessary, to amend our governing documents, to repeal / eliminate the "qualified" or "staggered" board, and establish annual elections for all directors standing for election following the board election in 2020.

I believe this modification satisfactorily addresses the valid concerns raised by Mr. Burdon and Mr. Hoffman because, if my resolution were approved and implemented, no director who had been elected by shareholders for three year terms prior to the year 2021 would be subject to removal before their term expired.

With regard to Mr. Hoffman's and Mr. Burdon's appeal that my proposal and resolution be rejected because "the Nominal Proponent has submitted more than one shareholder proposal," I have been informed by Mr. Mark S. Cane that he has informed the Securities and Exchange Commission and Prospect Capital Corporation that he has withdrawn his proposal. I trust that his action will remove any remaining potential impediment to the inclusion of my shareholder proposal and resolution.

Thank you for your service to our country and for being an advocate for individual shareholders like me.

Attachment – Revised shareholder proposal and resolution from Michelle H. Bronsted

Cc: Michael K. Hoffman – Skadden Arps, Slate, Meagher & Flom LLP
Kenneth E. Burdon – Skadden Arps, Slate, Meagher & Flom LLP
Kristin Van Dask - Prospect Capital Corporation
Mark S. Cane

Shareholder resolution from Michelle Bronsted

"Article IV of Prospect Capital Corporation's Charter calls for three classes of directors who are elected for staggered three year terms. This is also referred to as a "classified" or "staggered" board.

Dr. Yaron Nili of the University of Wisconsin Law School has conducted extensive corporate governance research. In his paper, *The 'New Insiders': Rethinking Independent Directors' Tenure* (can be downloaded through either:
Yaron Nili, The 'New Insiders': Rethinking Independent Directors' Tenure, 68 Hastings Law Journal 97 (2016) or:
Univ. of Wisconsin Legal Studies Research Paper No. 1390, he points out that, *"The board, in the context of agency concerns, has been expected to represent shareholders' interests' vis-à-vis management, curtailing management's ability to extract private benefits or act in a suboptimal way with respect to shareholder interests."* (p. 104)

He adds, *"The board of directors is one of the core organs of the modern corporation. As such, it has been entrusted with several important roles in the governance of the corporation. First, the board is required to be an active participant in some of the more important managerial decisions such as mergers, stock issuance and change of company governance documents. Second the board is a resource for management to utilize for insight and networking. Third, the board is charged with a monitoring role, making sure that shareholder interests are fully served, in an effort to constrain the agency costs associated with a managerial centric corporation model."* (p. 105)

In addition, *"Some shareholders try to challenge the ultimate discretion held by the board of directors and management by actively using their rights to create some form of checks and balances.* (P. 106) He specifies that among the barriers limiting shareholder intervention are ***"the staggered board and poison pill and other legal barriers limiting shareholder involvement."*** (p. 107, emphasis added)

Dr. Nili pointed out that through the year 2015, *"The percentage of (S&P 500) boards serving one year terms has risen every year and currently stands at ninety-three percent, more than double what it was a decade ago (forty percent)."* (P. 113)

Support for the trend away from classified or staggered boards is further illustrated by the fact that, in its 2019 voting guidelines (p. 17), the influential institutional investor proxy advisory firm Institutional Shareholder Services (ISS) recommended that shareholders vote IN FAVOR of proposals to repeal classified boards. (https://www.issgovernance.com/file/policy/latest/americas/US-Voting-Guidelines.pdf.)

Resolution - In order to improve director accountability to shareholders and help make Prospect Capital comparable with general industry standards regarding board terms, shareholders request our Board of Directors to adopt as a policy, and take the steps necessary, to amend our governing documents, to repeal / eliminate the "qualified" or "staggered" board, and establish annual elections for all directors standing for election following the board election in 2020.

Please vote YES":

Revised June 26, 2020

Exhibit B

From: Mark Cane [redacted]
Date: June 26, 2020 at 8:09:20 PM EDT
To: "IMshareholderproposals@sec.gov" <IMshareholderproposals@sec.gov>
Cc: Michelle Bronsted [redacted], Kristin Van Dask <kvandask@prospectcap.com>, "Burdon, Kenneth E (BOS)" <Kenneth.Burdon@skadden.com>, "Hoffman, Michael K (NYC)" <Michael.Hoffman@skadden.com>
Subject: [Ext] Prospect Capital Corp stockholder proposal from Mark S Cane

Ladies and Gentlemen:

Attached please find my response to a Rule 14a-8 no action request submitted on behalf of Prospect Capital Corporation with respect to a shareholder resolution I had submitted for PSEC's 2020 annual meeting.

Thank you.

Mark Cane
[redacted]

Mark S. Cane
[redacted]

June 26, 2020

VIA ELECTRONIC MAIL (IMshareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Office of the Chief Counsel
Division of Investment Management
100 F Street
Washington, D.C. 20549

RE: Prospect Capital Corporation
Securities and Exchange Act of 1934 – Rule 14a-8
Omission of Stockholder Proposal submitted by Mark S. Cane

Ladies and Gentlemen:

Michael K. Hoffman and Kenneth E. Burdon of Skadden, Arps, Slate, Meagher & Flom LLP wrote a letter to you on June 23, 2020 contesting a shareholder resolution I had submitted to Prospect Capital Corporation. Their letter included all of the supporting documentation related to my submission. In their letter they submitted five grounds which they claim would disqualify it from being eligible for inclusion in the proxy materials to be distributed by the Company in connection with its 2020 annual meeting of stockholders.

On May 26, 2020, Kristin Van Dask of Prospect Capital had submitted a letter to me claiming that my proposed submission only contained two deficiencies. I thought I had sufficiently responded to the stated concerns in my reply to her on May 31, 2020. These five alleged bases for exclusion significantly exceed the two deficiencies that Ms. Van Dask told me I had to remedy and are quite shocking. I do not understand why all of these alleged deficiencies were not pointed out to me by Ms. Van Dask on May 26 so that I could have had more time to address them. This is a material change in circumstances for me.

I disagree with the alleged deficiency justifications claimed by Mr. Hoffman and Mr. Burdon. I believe I could successfully defend myself against them. I also believe that without the supporting resources of an experienced legal powerhouse such as Skadden, Arps, I will be unable to do it with the content and form needed to pass the muster of the SEC in the amount of time I have to get it done. I simply do not have the means needed to garner such resources.

Therefore, because I fear that my proposal / resolution quest has now become impossible, please accept this letter as a respectful withdrawal of my proposed shareholder resolution for inclusion in Prospect Capital Corporation's proxy materials for its 2020 annual meeting of stockholders.

Mr. Hoffman and Mr. Burdon also sent me a copy of material they sent to the SEC on June 23, 2020 that was associated with a shareholder resolution submitted to Prospect Capital Corporation by my daughter

Michelle H. Bronsted. In it they claimed that her proposed shareholder resolution was actually mine. They suggested to you that it also be excluded from inclusion in Prospect Capital's proxy materials because the "Nominal Proponent has submitted more than one shareholder proposal." While I disagree with this assertion, regardless of whether the SEC would eventually judge it to be valid or not, I ask that the Securities and Exchange Commission accept the withdrawal of my proposed resolution as a remedy for this claim so that it would not serve as a justification to nullify her legitimate right to submit her shareholder resolution.

[redacted]

Cc: Michelle H. Bronsted
Kristin Van Dask - Prospect Capital Corporation
Michael K. Hoffman – Skadden Arps
Kenneth E. Burdon – Skadden Arps