

GABELLI EQUITY TRUST INC

Form DEF 14A

April 03, 2013

SCHEDULE 14A INFORMATION

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

(Amendment No.)

Filed by Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to Sec. 240.14a-12

The Gabelli Equity Trust 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):

- x No fee required
 - o 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:
 - o Fee paid previously with preliminary materials.
 - o 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:
-

THE GABELLI EQUITY TRUST INC.

One Corporate Center

Rye, New York 10580-1422

(914) 921-5070

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 13, 2013

To the Stockholders of

THE GABELLI EQUITY TRUST INC.

Notice is hereby given that the Annual Meeting of Stockholders of The Gabelli Equity Trust Inc., a Maryland corporation (the Fund), will be held on Monday, May 13, 2013, at 9:30 a.m., local time, at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 (the Meeting), and at any adjournments or postponements thereof for the following purposes:

1. To elect three (3) Directors of the Fund to be elected by the holders of the Fund's Common Stock and holders of its Series C Auction Rate Cumulative Preferred Stock, 5.875% Series D Cumulative Preferred Stock, Series E Auction Rate Cumulative Preferred Stock, Series G Cumulative Preferred Stock, and 5.00% Series H Cumulative Preferred Stock (together, the Preferred Stock), voting together as a single class (**Proposal 1**); and
2. To consider and vote upon such other matters, including adjournments, as may properly come before said Meeting or any adjournments thereof.

These items are discussed in greater detail in the attached Proxy Statement.

The close of business on March 18, 2013 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR HOLDINGS IN THE FUND. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE ASK THAT YOU PLEASE VOTE PROMPTLY. INSTRUCTIONS FOR THE PROPER VOTING AND/OR EXECUTION OF PROXIES ARE SET FORTH ON THE INSIDE COVER. SHAREHOLDERS MAY AUTHORIZE THEIR PROXY BY TELEPHONE OR THE INTERNET BY FOLLOWING THE INSTRUCTIONS ACCOMPANYING THE PROXY CARD, VOTING INSTRUCTION FORM OR NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS. ALTERNATIVELY, SHAREHOLDERS MAY SUBMIT VOTING INSTRUCTIONS BY SIGNING AND DATING THE PROXY CARD OR VOTING INSTRUCTION FORM AND RETURNING IT IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE.

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By Order of the Board of Directors,

AGNES MULLADY
Secretary

April 3, 2013

INSTRUCTIONS FOR SIGNING PROXY CARDS TO BE RETURNED BY MAIL

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund involved in validating your vote if you fail to sign your proxy card properly.

1. *Individual Accounts:* Sign your name exactly as it appears in the registration on the proxy card.
2. *Joint Accounts:* Either party may sign, but the name of the party signing should conform exactly to the name shown in the registration.
3. *All Other Accounts:* The capacity of the individuals signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

Registration

Corporate Accounts

- (1) ABC Corp.
- (2) ABC Corp.
- (3) ABC Corp.
c/o John Doe, Treasurer
- (4) ABC Corp., Profit Sharing Plan

Valid Signature

- ABC Corp., John Doe, Treasurer
John Doe, Treasurer

John Doe
John Doe, Trustee

Trust Accounts

- (1) ABC Trust
- (2) Jane B. Doe, Trustee
u/t/d 12/28/78

- Jane B. Doe, Trustee

Jane B. Doe

Custodian or Estate Accounts

- (1) John B. Smith, Cust.
f/b/o John B. Smith, Jr. UGMA
- (2) John B. Smith, Executor
Estate of Jane Smith

- John B. Smith

John B. Smith, Executor

INSTRUCTIONS FOR TELEPHONE/INTERNET VOTING

Various brokerage firms may offer the convenience of providing you with voting instructions via telephone or the Internet to vote your shares held through such firms. Instructions for authorizing your proxy to vote your shares by telephone or Internet are included with each of the Notice of Internet Availability of Proxy Materials and the proxy card.

THE GABELLI EQUITY TRUST INC.

ANNUAL MEETING OF STOCKHOLDERS

May 13, 2013

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the Board, the members of which are referred to as Directors) of The Gabelli Equity Trust Inc., a Maryland corporation (the Fund) for use at the Annual Meeting of Stockholders of the Fund to be held on Monday, May 13, 2013, at 9:30 a.m., local time, at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 (the Meeting), and at any adjournments thereof. A Notice of Internet Availability of Proxy Materials will first be mailed to shareholders on or about April 3, 2013.

In addition to the solicitation of proxies by mail, officers of the Fund and officers and regular employees of Computershare Trust Company, N.A. (Computershare), the Fund's transfer agent, and affiliates of Computershare or other representatives of the Fund may also solicit proxies by telephone, Internet, or in person. In addition, the Fund has retained Morrow & Co., LLC to assist in the solicitation of proxies for an estimated fee of \$1,000 plus reimbursement of expenses. The Fund will pay the costs of the proxy solicitation and the expenses incurred in connection with preparing, printing, and mailing the Notice of Internet Availability of Proxy Materials and/or Proxy Statement and its enclosures. The Fund will also reimburse brokerage firms and others for their expenses in forwarding solicitation materials to the beneficial owners of its Shares (as defined below).

The Fund's most recent annual report, including audited financial statements for the fiscal year ended December 31, 2012, is available upon request, without charge, by writing to the Secretary of the Fund, One Corporate Center, Rye, New York 10580-1422, by calling the Fund at 800-422-3554, or via the Internet at www.gabelli.com.

If the proxy is properly executed and returned in time to be voted at the Meeting, the Shares represented thereby will be voted FOR the election of the nominees as Directors as described in this Proxy Statement, unless instructions to the contrary are marked thereon, and at the discretion of the proxy holders as to the transaction of any other business that may properly come before the Meeting. Any shareholder who has submitted a proxy has the right to revoke it at any time prior to its exercise either by attending the Meeting and voting his or her Shares in person, or by submitting a letter of revocation, or a later dated proxy to the Fund at the above address prior to the date of the Meeting.

A quorum of shareholders is constituted by the presence in person or by proxy of the holders of a majority of the outstanding Shares of the Fund entitled to vote at the Meeting. In the event a quorum is not present at the Meeting, or in the event that a quorum is present at the Meeting but sufficient votes to approve any of the proposed items are not received, the Meeting may be adjourned by an individual appointed by the Board to be the chairman of the Meeting (or in his absence, a person designated pursuant to the By-Laws to act as chairman of the Meeting). Alternatively, the chairman of the Meeting may, in his discretion, submit the question of adjournment to a vote of shareholders. Any such adjournment on which the shareholders vote will require the affirmative vote of a majority of those shares

present at the Meeting in person or by proxy (or a majority of votes cast if a quorum is present). If a quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote FOR any proposal in favor of such adjournment and will vote those proxies required to be voted AGAINST any proposal against any such adjournment. If a quorum is present, a shareholder vote may be taken on one or more of the proposals in this Proxy Statement prior to such adjournment if sufficient votes have been received for approval and it is otherwise appropriate. The chairman of the Meeting may adjourn any meeting of stockholders from time to time to a date not more than 120 days after the original record date without notice other than announcement at the

meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the Meeting as originally notified. The Fund may set a subsequent record date and give notice of it to shareholders, in which case the meeting may be held not more than 120 days beyond the subsequent record date. The Fund may postpone or cancel a meeting of stockholders by making a public announcement (as defined in the By-Laws) of such postponement or cancellation prior to the meeting. Notice of the date, time, and place to which the meeting is postponed shall be given not less than ten days prior to such date and otherwise in the manner set forth in the By-Laws.

The close of business on March 18, 2013 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and all adjournments thereof.

The Fund has two classes of capital stock outstanding: common stock, par value \$0.001 per share (the Common Stock), and preferred stock consisting of (i) Series C Auction Rate Cumulative Preferred Stock (Series C Preferred), (ii) 5.875% Series D Cumulative Preferred Stock (Series D Preferred), (iii) Series E Auction Rate Cumulative Preferred Stock (Series E Preferred), (iv) Series G Cumulative Preferred Stock (Series G Preferred), and (v) 5.00% Series H Cumulative Preferred Stock (Series H Preferred), each having a par value of \$0.001 per share (together, the Preferred Stock and together with the Common Stock, the Shares). The holders of the Common Stock and Preferred Stock are each entitled to one vote for each full share held. On the record date, there were 187,715,980 shares of Common Stock, 2,880 shares of Series C Preferred, 2,363,860 shares of Series D Preferred, 1,120 shares of Series E Preferred, 2,816,524 shares of Series G Preferred, and 4,200,000 shares of Series H Preferred, outstanding.

The following persons were known to the Fund to be beneficial owners of more than 5% of the Fund's outstanding shares of Common Stock as of the record date:

<u>Name and Address of Beneficial Owner(s)</u>	<u>Title of Class</u>	<u>Amount of Shares and Nature of Ownership</u>	<u>Percent of Class</u>
First Trust Portfolios LP Suite 400 120 East Liberty Drive Wheaton, IL 60187	Common	10,719,539 beneficial	5.71%

As of the record date, there were no persons known to the Fund to be beneficial owners of more than 5% of the Fund's outstanding shares of Preferred Stock.

SUMMARY OF VOTING RIGHTS ON PROXY PROPOSALS

<u>Proposal</u>	<u>Common Stockholders</u>	<u>Preferred Stockholders</u>
1. Election of Directors	Common and Preferred Stockholders, voting together as a single class, vote to elect three Directors: Mario J. Gabelli, Arthur V. Ferrara, and William F. Heitmann	Common and Preferred Stockholders, voting together as a single class, vote to elect three Directors: Mario J. Gabelli, Arthur V. Ferrara, and William F. Heitmann

2. Other Business Common and Preferred Stockholders, voting together as a single class

In order that your Shares may be represented at the Meeting, you are requested to vote on the following matters:

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PROPOSAL 1: TO ELECT TWO (2) DIRECTORS OF THE FUND

Nominees for the Board of Directors

The Board of Directors consists of eight Directors, seven of whom are not interested persons of the Fund (as defined in the Investment Company Act of 1940, as amended (the 1940 Act)). The Fund divides the Board into three classes, each class having a term of three years. Each year, the term of office of one class will expire. Mario J. Gabelli, Arthur V. Ferrara, and William F. Heitmann have each been nominated by the Board for election to serve for a three year term to expire at the Fund's 2016 Annual Meeting of Shareholders and until their successors are duly elected and qualify. Each of the Directors of the Fund has served in that capacity since the July 14, 1986 organizational meeting of the Fund with the exception of Mr. Conn, who became a Director of the Fund on May 15, 1989, Mr. Fahrenkopf, who became a Director of the Fund on May 11, 1998, Mr. Colavita, who became a Director of the Fund on November 17, 1999, Mr. Ferrara, who became a Director of the Fund on August 15, 2001, and Mr. Heitmann, who became a Director of the Fund on August 15, 2012. All of the Directors of the Fund are also directors or trustees of other investment companies for which Gabelli Funds, LLC (the Adviser) or its affiliates serve as investment adviser. The classes of Directors are indicated below:

Nominees to Serve Until 2016 Annual Meeting of Shareholders

Mario J. Gabelli, CFA

Arthur V. Ferrara

William F. Heitmann

Directors Serving Until 2015 Annual Meeting of Shareholders

James P. Conn

Anthony R. Pustorino

Directors Serving Until 2014 Annual Meeting of Shareholders

Anthony J. Colavita

Frank J. Fahrenkopf, Jr.

Salvatore J. Zizza

Under the Fund's Articles of Incorporation, Articles Supplementary, and the 1940 Act, holders of the Fund's outstanding Preferred Stock, voting as a separate class, are entitled to elect two Directors, and holders of the Fund's outstanding Common Stock and Preferred Stock, voting together as a single class, are entitled to elect the remaining Directors. The holders of the Fund's outstanding Preferred Stock would be entitled to elect the minimum number of additional Directors that would represent a majority of the Directors in the event that dividends on the Fund's Preferred Stock are in arrears for two full years. No dividend arrearages exist as of the date of this Proxy Statement.

Messrs. Colavita and Conn are currently the Directors elected solely by the holders of the Fund's Preferred Stock.

Messrs. Colavita's and Conn's terms as Directors are scheduled to expire at the Fund's 2014 and 2015 Annual Meeting

of Shareholders, respectively, and therefore they are not standing for election at this meeting.

Unless instructions are provided to the contrary, it is the intention of the persons named in the proxy to vote the proxy FOR the election of the nominees named above. Each nominee has indicated that he has consented to serve as a Director if elected at the Meeting. If, however, a designated nominee declines or otherwise becomes unavailable for election, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees.

Information about Directors and Officers

Set forth in the table below are the existing Directors, including those Directors who are not considered to be “interested persons,” as defined in the 1940 Act (the “Independent Directors”), three of whom are nominated for reelection to the Board of the Fund, and officers of the Fund, including information relating to their respective positions held with the Fund, a brief statement of their principal occupations and, in the case of the Directors, their other directorships during the past five years (excluding other funds managed by the Adviser), if any.

Name, Position(s) Address⁽¹⁾ and Age <u>INTERESTED</u> <u>DIRECTOR⁽⁴⁾:</u>	Term of Office and Length of Time Served⁽²⁾	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director During Past Five Years	Number of Portfolios to Fund Complex⁽³⁾ Overseen by Director
Mario J. Gabelli Chairman and Chief Investment Officer Age: 70	Since 1986*	Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds Complex; Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of RLJ Acquisition, Inc. (blank check company) (2011- 2012)	27
<u>INDEPENDENT</u> <u>DIRECTORS/NOMINEES⁽⁵⁾:</u>				
Anthony J. Colavita⁽⁶⁾⁽⁷⁾ Director Age: 77	Since 1999***	Anthony J. Colavita, P.C., Attorney at Law from 1961 to date	—	35

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James P. Conn ⁽⁶⁾ Director Age: 75	Since 1989**	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings, Ltd. (insurance holding company) (1992-1998)	Director of First Republic Bank (banking) through January 2008 and Director of La Quinta Corp. (hotels) through January 2006	19
Frank J. Fahrenkopf, Jr. Director Age: 73	Since 1998***	President and Chief Executive Officer of the American Gaming Association; Co-Chairman of the Commission on Presidential Debates; Former Chairman of the Republican National Committee (1983-1989)	Director of First Republic Bank (banking)	7
Arthur V. Ferrara Director Age: 82	Since 2001*	Former Chairman of the Board and Chief Executive Officer of The Guardian Life Insurance Company of America (1993-1995)	—	8
William F. Heitmann Director Age: 62	Since 2012*	Senior Vice President of Finance, Verizon Communications, and President, Verizon Investment Management (1971-2011)	Director and Audit Committee Chair of DRS Technologies (defense electronic systems)	3
Anthony R. Pustorino Director Age: 87	Since 1986**	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing) (2002-2010)	13

Name, Position(s) Address⁽¹⁾ and Age	Term of Office and Length of Time Served⁽²⁾	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director During Past Five Years	Number of Portfolios to Fund Complex⁽³⁾ Overseen by Director
<u>INDEPENDENT DIRECTORS/NOMINEES⁽⁵⁾:</u>				
Salvatore J. Zizza Director Age: 67	Since 1986***	Chairman of Zizza & Associates Corp. (financial consulting) (since 1978); Chairman of Metropolitan Paper Recycling Inc. (recycling) (since 2005); Chairman of Harbor BioSciences, Inc. (biotechnology) (since 1999);	Director of Trans-Lux Corporation (business services) (since 2009); Chairman of Bion Environmental Technologies (technology) (since 2005)	29

Name, Position(s) Address⁽¹⁾ and Age	Term of Office and Length of Time Served⁽⁸⁾	Principal Occupation(s) During Past Five Years
<u>OFFICERS:</u>		
Bruce N. Alpert President; Acting Chief Compliance Officer Age: 61	Since 2003; Since 2011	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds Complex; Director of Teton Advisors, Inc. 1998-2012; Chairman of Teton Advisors, Inc. 2008- 2010; President of Teton Advisors, Inc. 1998-2008; Senior Vice President of GAMCO Investors, Inc. since 2008
Agnes Mullady Treasurer and Secretary Age: 54	Since 2006	President and Chief Operating Officer of the Open-End Fund Division of Gabelli Funds, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds Complex
Carter W. Austin Vice President Age: 46	Since 2000	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Funds Complex; Vice President of Gabelli Funds, LLC since 1996
Molly A.F. Marion Vice President and Ombudsman	Since 2009	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Funds Complex; Assistant Vice President of GAMCO Investors, Inc. since 2006

Age: 59

- (1) Address: One Corporate Center, Rye, NY 10580-1422.
- (2) The Fund's Board of Directors is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term.
- (3) The "Fund Complex" or the "Gabelli/GAMCO Funds Complex" includes all the registered funds that are considered part of the same fund complex as the Fund because they have common or affiliated investment advisers.