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February 3, 2020

VIA EMAIL (IMshareholderproposals@sec.gov)
U.S. Securities and Exchange Commission
Division of Investment Management
Office of Disclosure and Review
100 F Street, NE
Washington, DC 20549

RE: Dividend and Income Fund – Omission of Shareholder Proposal Submitted on behalf of Matisse Discounted Closed-End Fund Strategy

Ladies and Gentlemen:

Pursuant to Rule 14a-8 promulgated under the Securities and Exchange Act of 1934, as amended, (the "Exchange Act"), and as counsel to the Dividend and Income Fund, a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a closed-end management investment company (the "Fund"), we request confirmation that the staff (the "Staff") of the Securities and Exchange Commission (the "SEC") will not recommend enforcement action if the Fund omits from its proxy materials (the "Proxy Materials") for its 2020 Annual Meeting of Shareholders (the "2020 Annual Meeting") the proposal (the "Proposal") and supporting statement described herein.

This request is being submitted electronically pursuant to guidance found in Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"). Accordingly, we are not enclosing the additional six copies ordinarily required by Rule 14a-8(j)(2).

BACKGROUND

On January 13, 2020, the Fund received a proposal and supporting statement from Eric Boughton on behalf of Matisse Discounted Closed-End Fund Strategy (the "Proponent") for inclusion in the Proxy Materials for the 2020 Annual Meeting. Pursuant to Rule 14a-8(f)(1), on behalf of the Fund, we responded to the Proponent by letter transmitted on January 24, 2020 noting several deficiencies with the Proposal (the "Deficiency Letter"). The Proponent, in turn, responded to the Deficiency Letter later the same day, insisting that the Fund include the Proposal in the Proxy Materials as written, with no changes. The Proposal and supporting statement, along with Mr. Boughton's cover letter and share ownership verification statement, are attached hereto as Exhibit A. The subsequent correspondence with the Proponent is attached hereto as Exhibit B.

Pursuant to Rule 14a-8(j)(1), this letter is being filed with the SEC not less than 80 days before the Fund plans to file its definitive proxy statement for the 2020 Annual Meeting. Also pursuant to Rule 14a-8(j)(1), the Fund, by e-mail, is contemporaneously sending a copy of this letter and its attachments to the Proponent. We take this opportunity to inform the Proponent that if the Proponent elects to submit correspondence to SEC with respect to the Proposal or this letter, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Fund pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The Proposal, copied below, requests in relevant part that the Board of Trustees of the Fund (the "Board") consider authorizing a self-tender for all of the Fund's outstanding shares of beneficial interest ("Common Shares") at or close to net asset value ("NAV") and that, if more than 50% of the Fund's outstanding Common Shares are tendered, the tender offer should be cancelled and the Fund should be liquidated or converted into an open-end mutual fund.

> "**BE IT RESOLVED,** that the shareholders of Dividend and Income Fund (the "Fund"), request that the Board of Trustees (the "Board") consider authorizing a self-tender offer for all outstanding shares of the Fund at or close to net asset value ("NAV"). If more than 50% of the Fund's outstanding shares are submitted for tender, the tender offer should be cancelled and the Fund should be liquidated or converted into an open-end mutual fund."

For the reason stated herein, the Fund believes that the Proposal may be excluded from the Proxy Materials.

BASIS FOR EXCLUSION

The Fund believes that it may properly omit the Proposal from the Proxy Materials for the 2020 Annual Meeting for the following reason:

> *The Proposal is misleading.* The Fund may exclude the Proposal pursuant to Rule 14a-8(i)(3) and Rule 14a-9 under the Exchange Act because it omits to state certain material facts necessary in order to make the statements therein not false or misleading.

ANALYSIS

The Fund may exclude the Proposal pursuant to Rule 14a-8(i)(3) and Rule 14a-9 because the Proposal is misleading.

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…" The Staff has 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, e.g., Entergy Corp.* (Feb. 14, 2007) and *General Magic, Inc.* (May 1, 2000).

As discussed below, the Fund believes that the Proposal should be excluded pursuant to Rule 14a-8(i)(3) because the Proposal omits to state certain material facts necessary in order to make the statements therein not false or misleading, in violation of Rule 14a-9.

For example, the Proposal fails to disclose that the Proponent, a registered open-end management investment company, has exceeded the anti-pyramiding restrictions contained in Section 12(d)(1)(A) of the 1940 Act. The Proposal also fails to disclose that the only way in which the Proponent can own shares of funds such as the Fund in excess of these restrictions is if the Proponent receives an exemptive order from the SEC, which we do not believe the Proponent has received, or the Proponent complies with the requirements of Section 12(d)(1)(F) of the 1940 Act. Pursuant to Section 12(d)(1)(F), a registered investment company seeking to rely on its provisions must exercise its voting rights in an underlying registered fund in accordance with the provisions of Section 12(d)(1)(E) of the 1940 Act. Section 12(d)(1)(E)(iii) requires that the purchase by the investing fund (the Proponent) be made pursuant to an "arrangement" with the issuer (the Fund) to either (i) seek instructions from its security holders with regard to the voting of all proxies with respect to such security and to vote such proxies only in accordance with such instructions (referred to as "pass through" voting), or (ii) vote the shares held by it in the same proportion as the vote of all other holders of such security (referred to as "mirror" voting). Because the Proponent has not entered into any sort of "arrangement" with the Fund to permit the Proponent to exceed the Section 12(d)(1)(A) thresholds, the Proponent is in violation of the 1940 Act, yet this fact is not disclosed in the Proposal.

Moreover, the Proposal fails to disclose that the Proponent cannot independently vote in support of any shareholder proposals, including its own shareholder proposals. Indeed, the Proposal omits any discussion of Section 12(d)(1)(F) or Section 12(d)(1)(E)(iii).

Based on a review of the Proponent's most recent Form N-PX filing for the period ended June 30, 2019, it appears that the Proponent failed to comply with the voting provisions of Section 12(d)(1)(E)(iii) with respect to not only the Proponent's shareholder proposal which it submitted for inclusion in the Fund's 2019 proxy statement relating to the 2019 Annual Meeting of Shareholders held on June 6, 2019 (the "2019 Annual Meeting"), but also with respect to every other registered investment company owned by the Proponent during the period covered by the report. The fact that the Proponent does not appear to be complying with the 1940 Act's Section 12(d) voting requirements is not disclosed in the Proposal.

While the Proponent's most recently filed statement of additional information, dated August 1, 2019 (the "SAI"), discusses the Proponent's strategy of investing in other investment companies, it makes no mention of the "arrangement" or voting requirements of Section 12(d)(1)(E)(iii) summarized above. Likewise, the proxy voting policy attached to the Proponent's SAI omits any reference to the voting requirements of Section 12(d)(1)(E)(iii), and instead appears to, in fact, violate these requirements on its face, as it provides for voting shares of registered investment companies on a basis other than the required "pass through" or "mirror" voting.

The Fund believes that a reasonable shareholder desiring to support the Proposal would want to know that the Proponent itself cannot vote in favor of the Proposal and that, in fact, the Proponent

may be legally required to cast more votes AGAINST the Proposal than FOR the Proposal as a result of Section 12(d)(1)(E)(iii). Further, a reasonable shareholder desiring to support the Proposal would also want to know whether the proponent of the Proposal is, in fact, violating the 1940 Act with respect to its ownership and voting of the Fund's Common Shares currently and with respect to the 2019 Annual Meeting.

Because these matters are omitted from the Proposal, despite the Fund's efforts to have the Proponent correct these omissions as described in the Deficiency Letter, the Fund has concluded that the Proposal is excludable under Rule 14a-8(i)(3) and Rule 14a-9, and respectfully requests the Staff's concurrence with this conclusion.

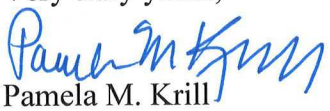
CONCLUSION

Based on the foregoing analysis, we respectfully request that the Staff concur that it will take no enforcement action against the Fund if the Fund omits the Proposal from its Proxy Materials. We note that even if the Staff concludes that the deficiencies noted above could be corrected by the Proponent, because the deadline for receiving proposals under Rule 14a-8(e) has passed, it is our understanding that the Fund is not required to accept a corrected Proposal from the Proponent. *See* Staff Legal Bulletin No. 14F (Oct. 18, 2011).

Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of the Fund'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 608-284-2226 or by email at pkrill@gklaw.com if you have any questions or require additional information.

Very truly yours,



Pamela M. Krill

Cc: Eric Boughton, Matisse Discounted Closed-End Fund Strategy
Thomas B. Winmill, President, Dividend and Income Fund
Russell Kamerman, Chief Compliance Officer, Secretary and General Counsel, Dividend and Income Fund

EXHIBIT A

January 13, 2020

Russell Kamerman, Esq.
Secretary of the Trust
Dividend and Income Fund
11 Hanover Square
New York, NY 10005

Re: 14a-8 Shareholder Proposal for upcoming annual meeting

Dear Sir:

Matisse Discounted Closed-End Fund Strategy, a US open-end mutual fund (MDCEX, cusip 85520V434) is the beneficial owner of over 10,000 common shares of Dividend and Income Fund (cusip 25538A204). MDCEX has held these Shares continuously for over 12 months and intends to continue to hold the Shares through the date of the next meeting of shareholders. Evidence of this fact is in our public annual and semi-annual reports, as well as in the quarterly 13f filings of our investment adviser, Matisse Capital; and a letter of verification from our custodian, UMB Bank, verifying these statements, is enclosed.

We hereby submit the following proposal and supporting statement pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended, for inclusion in the company's proxy statement for the next Annual Meeting of shareholders (the one to be held in calendar 2020, presumably). Per THE FUND's last annual meeting materials, "If you wish to have your proposal considered for inclusion in the Fund's 2020 Proxy Statement, we must receive it on or before January 22, 2020, pursuant to Rule 14a-8(e)(2) of the Exchange Act.". If the company believes this proposal is incomplete or otherwise deficient in any respect, please contact Eric Boughton, CFA, immediately so that we may promptly address any alleged deficiencies, at (503) 210-3005 or eric@matissecap.com.

Sincerely,

Matisse Discounted Closed-End Fund Strategy

Eric Boughton, CFA
Portfolio Manager

Shareholder Proposal

BE IT RESOLVED, that the shareholders of Dividend and Income Fund (the "Fund"), request that the Board of Trustees (the "Board") consider authorizing a self-tender offer for all outstanding shares of the Fund at or close to net asset value ("NAV"). If more than 50% of the Fund's outstanding shares are submitted for tender, the tender offer should be cancelled and the Fund should be liquidated or converted into an open-end mutual fund.

Supporting Statement

The Fund has traded at an extremely large discount to its NAV for years (15% on average since Bexil took over in 2011), effectively holding shareholders captive, since they can only exit for substantially less than its value.

One reason THE FUND has continuously traded at such an extreme discount to its NAV is its repeated, highly dilutive, rights offerings. Each rights offering dilutes NAV for existing shareholders, even for those with enough spare capital to subscribe. In the most recent offering, NAV was diluted by 3%.

Rights offerings provide a larger asset base on which Bexil can collect management fees. They ***reduce*** your ultimate returns as a shareholder, but simultaneously ***increase*** the returns of the supposed fiduciaries of your assets! This fundamental mismatch of interests is known as an "agency problem". Although the S&P 500 has returned over 13% per year since Bexil took over THE FUND, shareholders in THE FUND have earned only around 7% per year! THE FUND's "beta" to the S&P 500 over this time frame has been well over 0.9, so even when making this adjustment, THE FUND shareholders have suffered a shortfall of more than 5 percentage points per year on their investment!

We believe the Fund's excessive discount level indicates that the market has lost faith in the Fund's Adviser's ability to add to shareholder value. Similar to many other recent actions in the CEF space, shareholders should have the opportunity to realize a price for their shares close to NAV. Toward that end, Matisse believes the Board should consider authorizing a self-tender offer for all outstanding shares of the Fund at or close to NAV.

If a majority of the Fund's outstanding shares are tendered, this would demonstrate that there is insufficient shareholder support for continuing the Fund as a closed-end fund. In that case, the tender offer should be cancelled and the Fund should be liquidated or converted into an open-end mutual fund.

Who are we? We are an open-end mutual fund (Matisse Discounted Closed-End Fund Strategy, MDCEX) which has owned shares of THE FUND continuously since late 2015. Feel free to contact us about this matter; we are happy to discuss. Contact Eric Boughton, CFA, at (503) 210-3005.

UMB

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January 13, 2020

Eric Boughton, CFA
Portfolio Manager
Matisse Capital
4949 Meadows Road, Suite 200
Lake Oswego, OR 97035

This letter is to confirm that as January 13, 2019, UMB Bank, N.A. 2450, a DTC participant, in its capacity as custodian, held at least 288,155 shares of the Dividend and Income Fund on behalf of the Matisse Discounted Closed End Fund. These shares are held in the Bank's position at the Depository Trust Company registered to the nominee name of Cede & Co.

Further, this is to confirm that the position in DNI held by the bank on behalf of the Matisse Discounted Closed-End Fund during the year long period from January 13, 2019 to January 13, 2020, and did not loan out its shares and continuously exceeded an ownership market value of $200,000.00.

Sincerely,

Mandee Crawford

Mandee Crawford,
Vice President
UMB Bank, n.a.

UMB Bank, n.a.

928 Grand Boulevard
Kansas City, Missouri 64106

umb.com

EXHIBIT B

From: Eric Boughton <eric@matissecap.com>
Sent: Friday, January 24, 2020 4:17 PM
To: Krill, Pam <PKrill@gklaw.com>
Cc: 'Thomas Winmill' <twinmill@dividendandincomefund.com>; 'Russell Kamerman' <rkamerman@dividendandincomefund.com>; 'IMshareholderproposals@sec.gov' <IMshareholderproposals@sec.gov>
Subject: RE: DNI Response to Matisse Rule 14a-8 Proposal [GK-Active.FID2917673]

Thank you for your reply. We insist that you include our proposal on your proxy statement, as written, and we will not change it.

With regard to your false assertion that our single proposal is really two proposals, we note that several proposals almost identical to ours have been included in recent proxy materials for other closed-end funds, apparently with the SEC's non-disagreement. The most recent example, BrandywineGlobal Global Income Opportunities Fund, ticker BWG.

With regard to your assertion that our proposal is deficient because it is misleading:

1) It is not material to shareholders deciding how to vote on a proposal whether the proponent can vote for its own proposal or must mirror vote. The language in the proposal stands on its own.
2) Our open-end fund, MDCEX, does not mirror vote proxies because we are relying on a number of exceptions laid out in the law, including that we are not seeking to exercise control, and that we own fewer than 3% of the outstanding shares of any particular investment company. We expect you will discuss this in your recommendation against our proposal in the proxy materials in any case, but suffice it to say that our proposal can not possibly be excluded from your proxy materials on these grounds.

-Eric

From: Krill, Pam <PKrill@gklaw.com>
Sent: Friday, January 24, 2020 1:48 PM
To: Eric Boughton <eric@matissecap.com>
Cc: 'Thomas Winmill' <twinmill@dividendandincomefund.com>; 'Russell Kamerman' <rkamerman@dividendandincomefund.com>; 'IMshareholderproposals@sec.gov' <IMshareholderproposals@sec.gov>
Subject: DNI Response to Matisse Rule 14a-8 Proposal [GK-Active.FID2917673]

Dear Mr. Boughton,

Please see attached letter. If you have trouble viewing the attachment, please let me know.

Best,
Pam Krill | *Attorney*
608.284.2226 direct | PKrill@gklaw.com

GODFREY & KAHN S.C.

[Letter attached to e-mail from Godfrey & Kahn to Mr. Boughton, with Exhibit A omitted]
January 24, 2020

VIA EMAIL (ERIC@MATISSECAP.COM)

Mr. Eric Boughton
Matisse Discounted Closed-End Fund
Strategy
4949 Meadows Road, Suite 200
Lake Oswego, OR 97035

RE: Dividend and Income Fund ("DNI") – Shareholder Proposal Submitted on behalf of Matisse Discounted Closed-End Fund Strategy (the "Matisse Fund")

Dear Mr. Boughton:

On behalf of DNI, this letter acknowledges receipt of your letter dated January 13, 2020 requesting that DNI include a shareholder proposal in its proxy statement for its 2020 Annual Meeting of Shareholders (the "2020 Annual Meeting"), pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Your letter was received via e-mail on January 13, 2020, and a separate copy of the letter was also received by regular mail at DNI's principal offices on January 17, 2020.

We, along with DNI, have reviewed the proposal and supporting statement submitted by you on behalf of the Matisse Fund (the "Proposal") and, based on that review and for the reasons stated below, DNI intends to omit the Proposal from its proxy statement and form of proxy for the 2020 Annual Meeting (the "Proxy Materials"), unless the deficiencies noted below are corrected within the required timeframe. A copy of the Proposal, together with the accompanying cover letter, is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

DNI believes that it may properly omit the Proposal from the Proxy Materials for the 2020 Annual Meeting for the following reasons:

1. *The Proposal includes two proposals.* The Proposal may be excluded pursuant to Rule 14a-8(c) under the Exchange Act, which provides that a shareholder may submit no more than one proposal for a particular shareholders' meeting.
2. *The Proposal is misleading.* The Proposal may be excluded pursuant to Rule 14a-8(i)(3) and Rule 14a-9 under the Exchange Act because it omits to state certain material facts necessary in order to make the statements therein not false or misleading.

ANALYSIS

1. DNI may exclude the Proposal pursuant to Rule 14a-8(c) because the Proposal constitutes more than one proposal.

Rule 14a-8(c) provides that "[e]ach shareholder may submit no more than one proposal to a company for a particular shareholders' meeting." In adopting the rule, the Securities and Exchange Commission (the "SEC") in Exchange Act Release No. 12999 (Nov. 22, 1976) noted the possibility that some proponents may attempt to evade the rule's limitations through various maneuvers. The one-proposal limitation applies not only to proponents who submit multiple proposals as separate submissions, but also to proponents who submit proposals that are comprised of multiple parts even though the parts may seemingly address one general concept. *See, e.g., Streamline Health Solutions, Inc.* (Mar. 23, 2010) and *American Electric Power Co., Inc.* (Jan. 2, 2001). The staff of the SEC (the "Staff") also has concurred that proposals that require a "variety of corporate actions" may be excluded. *See, e.g., Morgan Stanley* (Feb. 4, 2009) and *General Motors Corporation* (April 9, 2007).

DNI believes that the Proposal violates Rule 14a-8(c) because the Proposal includes two separate and distinct proposals. Despite being couched as a single proposal, the Proposal requests that the Board of Trustees of DNI (the "Board") take two completely separate and distinct actions – first, a tender offer for all of DNI's shares and, second, if at the conclusion of the tender offer more than half of DNI's shares have been tendered, cancel the just-completed tender offer, and instead take one of two different alternative actions, either liquidating DNI or converting it to an open-end fund. Each of these secondary alternatives would require completely distinct and separate actions and approvals by the Board and/or shareholders under both the Federal securities laws and DNI's governing documents, as well as distinct and separate regulatory filings with the SEC, than the tender offer.

A shareholder proposal in which one part of the proposal addresses matters or actions that arise from the implementation of another part of the proposal is not a single proposal. *See, e.g., Textron Inc.* (Mar. 7, 2012). In *Textron*, a shareholder submitted a multi-part proposal, most of which related to the inclusion of shareholder nominations for director in Textron's proxy materials. A second part of the proposal, however, provided that any election resulting in a majority of board seats being filled by individuals nominated as a consequence of the other parts of the shareholder proposal would not be considered a change in control of the company. The company argued that the element of the proposal seeking to prescribe how the company defined a change in control was a separate matter from shareholder nominations addressed in the proposal's other elements. In concurring that the company could exclude the proposal, the Staff noted that the portion of the proposal relating to a change in control constituted a separate and distinct matter from the prerequisite portions of the proposal relating to the inclusion of shareholder nominations.

The Proposal is distinguishable from *Franklin Limited Duration Income Trust* (July 27, 2016), in which the Staff was unable to concur with the exclusion of a proposal requesting that the board consider authorizing a tender offer. In that no-action letter, although the second element of the proposal was dependent on the results of the first element, the proponent did not assert in its supporting statement that it was recommending a separate corporate transaction at the same annual meeting. By contrast, the supporting statement included in the Proposal reads in relevant part as follows: "If a majority of the Fund's outstanding shares are tendered, this would demonstrate that

there is insufficient shareholder support for continuing the Fund as a closed-end fund. *In that case, the tender offer should be cancelled and the Fund should be liquidated or converted into an open-end mutual fund.*" (emphasis added) This inclusion of this language in the supporting statement is an attempt to advocate for a separate proposal – separate and distinct from the tender offer proposal – in a manner designed to circumvent the requirements of Rule 14a-8(c).

Accordingly, because you have exceeded the one-proposal limit, unless this deficiency is cured in a timely manner, DNI currently intends to seek SEC concurrence that the Proposal may be excluded from DNI's Proxy Statement pursuant to Rule 14a-8(c).

2. DNI may exclude the Proposal pursuant to Rule 14a-8(i)(3) and Rule 14a-9 because the Proposal is misleading.

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…" The Staff has 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, e.g., Entergy Corp.* (Feb. 14, 2007) and *General Magic, Inc.* (May 1, 2000). As discussed below, DNI believes that the Proposal should be excluded pursuant to Rule 14a-8(i)(3) because the Proposal omits to state certain material facts necessary in order to make the statements therein not false or misleading, in violation of Rule 14a-9.

- The Proposal fails to disclose that the Matisse Fund, a registered open-end management investment company, has exceeded the anti-pyramiding restrictions contained in Section 12(d)(1)(A) of the Investment Company Act of 1940, as amended (the "1940 Act").
- The Proposal also fails to disclose that the only way in which the Matisse Fund can continue to own shares of funds such as DNI is if the Matisse Fund complies with the requirements of Section 12(d)(1)(F) of the 1940 Act. Pursuant to Section 12(d)(1)(F), a registered investment company seeking to rely on its provisions must exercise its voting rights in an underlying registered fund in accordance with the provisions of Section 12(d)(1)(E) of the 1940 Act. Section 12(d)(1)(E)(iii) requires that the purchase by the investing fund (the Matisse Fund) be made pursuant to an "arrangement" with the issuer (DNI) to either (i) seek instructions from its security holders with regard to the voting of all proxies with respect to such security and to vote such proxies only in accordance with such instructions (referred to as "pass through" voting), or (ii) vote the shares held by it in the same proportion as the vote of all other holders of such security (referred to as "mirror" voting). Because the Matisse Fund has not entered into any sort of "arrangement" with DNI to permit the Matisse Fund to exceed the Section 12(d)(1)(A) thresholds, the Matisse Fund is in violation of the 1940 Act, yet this fact is not disclosed in the Proposal.
- The Proposal fails to disclose that the Matisse Fund cannot independently vote in support of any shareholder proposals, including its own shareholder proposals. Indeed, the Proposal omits any discussion of Section 12(d)(1)(F) or Section 12(d)(1)(E)(iii).
- Based on a review of the Matisse Fund's most recent Form N-PX filing for the period ended June 30, 2019, it appears that the Matisse Fund failed to comply with the voting provisions of Section 12(d)(1)(E)(iii) with respect to not only the Matisse Fund's shareholder proposal which it submitted for inclusion in the DNI 2019 proxy statement

relating to the 2019 Annual Meeting of Shareholders held on June 6, 2019 (the "2019 Annual Meeting"), but also with respect to every other registered investment company owned by the Matisse Fund during the period covered by the report. The fact that the Matisse Fund does not appear to be complying with the 1940 Act's Section 12(d) voting requirements is not disclosed in the Proposal.

Interestingly, while the Matisse Fund's most recently filed statement of additional information, dated August 1, 2019 (the "SAI"), discusses the Matisse Fund's strategy of investing in other investment companies, it makes no mention of the "arrangement" or voting requirements of Section 12(d)(1)(E)(iii) summarized above. Likewise, the proxy voting policy attached to the Matisse Fund's SAI omits any reference to the voting requirements of Section 12(d)(1)(E)(iii), and instead appears to, in fact, violate these requirements on its face, as it provides for voting shares of registered investment companies on a basis other than the required "pass through" or "mirror" voting.

DNI believes that a reasonable shareholder desiring to support the Proposal would want to know that the Matisse Fund itself cannot vote in favor of the Proposal and that, in fact, the Matisse Fund may be legally required to cast more votes AGAINST the Proposal than FOR the Proposal as a result of Section 12(d)(1)(E)(iii). Further, a reasonable shareholder desiring to support the Proposal would also want to know whether the proponent of the Proposal is, in fact, violating the 1940 Act with respect to its ownership and voting of DNI shares currently and with respect to the 2019 Annual Meeting. Because these matters are omitted from the Proposal, unless this deficiency is cured in a timely manner, DNI currently intends to seek SEC concurrence that the Proposal may be excluded from DNI's Proxy Statement pursuant to Rule 14a-8(i)(3) and Rule 14a-9.

CONCLUSION

The rules of the SEC require that your response to this letter be postmarked or transmitted electronically no later than 14 days from the date you receive this letter. Please address any response to me at the street and/or e-mail address set forth above, with a copy to: Russell Kamerman, Chief Compliance Officer, Secretary and General Counsel, Dividend and Income Fund, 11 Hanover Square, 12th Floor, New York, NY 10005, or via e-mail at rkamerman@dividendandincomefund.com.

Sincerely,

/s/ Pamela M. Krill

Pamela M. Krill

Cc: SEC, Division of Investment Management (imshareholderproposals@sec.gov)
Thomas B. Winmill, President, DNI
Russell Kamerman, Chief Compliance Officer, Secretary and General Counsel, DNI

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