

MACC PRIVATE EQUITIES INC
Form DEF 14A
June 05, 2009

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14A-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

MACC PRIVATE EQUITIES INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other
than
the Registrant)

Payment of Filing Fee (Check the appropriate box)

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

- 1) Title of each class of securities to which transaction applies: _____.
- 2) Aggregate number of securities to which transaction applies: _____.
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): _____.
- 4) Proposed maximum aggregate value of transaction: _____.
- 5) Total fee paid: _____.

Fee paid previously with preliminary materials

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid: _____.
- 2) Form, Schedule or Registration Statement No.: _____.
- 3) Filing Party: _____.
- 4) Date Filed: _____.

June 5, 2009

To the Shareholders of MACC Private Equities Inc.:

The Annual Meeting of Shareholders of our Corporation will be held on Tuesday July 14, 2009, at 10:00 a.m. Pacific Daylight Time at 24 Corporate Plaza Drive, Newport Beach, California 92660.

A Notice of the meeting, a Proxy and Proxy Statement containing information about matters to be acted upon are enclosed. In addition, the MACC Private Equities Inc. Annual Report for the fiscal year ended September 30, 2008, is enclosed and provides information regarding the financial results of the Corporation for the year. Holders of Common Stock are entitled to vote at the Annual Meeting on the basis of one vote for each share held. If you attend the Annual Meeting in July, you retain the right to vote in person even though you previously mailed the enclosed Proxy.

Please also note that the form of Proxy, this Proxy Statement and our 2008 Annual Report are available at <http://bnymellon.mobular.net/bnymellon/macc>. You may access those proxy materials any time beginning June 5, 2009.

It is important that your shares be represented at the meeting whether or not you are personally in attendance, and I urge you to review carefully the Proxy Statement and sign, date and return the enclosed Proxy at your earliest convenience. I look forward to meeting you and, together with our Directors and Officers, reporting our activities and discussing the Corporation's business and its prospects. I hope you will be present.

Very truly yours,

Geoffrey T. Woolley
Chairman of the Board

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD JULY 14, 2009

To the Shareholders of MACC Private Equities Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of MACC Private Equities Inc., a Delaware corporation (the "Corporation"), will be held on Tuesday, July 14, 2009, 10:00 a.m. Pacific Daylight Time at 24 Corporate Plaza Drive, Newport Beach, California 92660, for the following purposes:

1. To elect four directors to serve until the 2010 Annual Shareholders Meeting or until their respective successors shall be elected and qualified;
2. To ratify the appointment of KPMG LLP as independent auditors of the Corporation for its fiscal year ending September 30, 2009; and
3. To transact such other business as may properly come before the meeting and any adjournment thereof.

Only holders of Common Stock of the Corporation of record at the close of business on June 1, 2009, will be entitled to notice of, and to vote at, the meeting and any adjournment thereof.

By Order of the Board of Directors

Montie L. Weisenberger, Secretary

Your Officers and Directors desire that all shareholders be present or represented at the Annual Meeting. Even if you plan to attend in person, please date, sign and return the enclosed proxy in the enclosed postage-prepaid envelope at your earliest convenience so that your shares may be voted. If you do attend the meeting in February, you retain the right to vote even though you mailed the enclosed proxy. The proxy must be signed by each registered holder exactly as the stock is registered.

PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD JULY 14, 2009

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors (the “Board of Directors” or the “Board”) of MACC Private Equities Inc., a Delaware corporation (“MACC” or the “Corporation”), of proxies to be voted at the Annual Meeting of Shareholders to be held on July 14, 2009, or any adjournment thereof (the “2009 Annual Meeting”). The date on which this Proxy Statement and the enclosed form of proxy are first being sent or given to shareholders of the Corporation is on or about June 5, 2009.

PURPOSES OF THE MEETING

The 2009 Annual Meeting is to be held for the purposes of:

- (1) electing four persons to serve as Directors of the Corporation to serve until the 2010 Annual Shareholders Meeting or until their respective successors shall be elected and qualified;
- (2) ratifying the appointment by the Board of Directors of KPMG LLP as independent auditors of the Corporation for the fiscal year ending September 30, 2009 (“Fiscal Year 2009”); and
- (3) transacting such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors unanimously recommends that the shareholders vote FOR the election as Directors of the persons named under ELECTION OF DIRECTORS and FOR the ratification of the appointment of KPMG LLP as independent auditors.

VOTING AT THE MEETING

The record date for holders of Common Stock of MACC Private Equities Inc. entitled to notice of, and to vote at, the 2009 Annual Meeting is the close of business on June 1, 2009 (the “Record Date”). As of the Record Date, we had outstanding and entitled to vote at the 2009 Annual Meeting 2,464,621 shares of Common Stock. The presence, in person or by proxy, of the holders of a majority of the shares of Common Stock outstanding and entitled to vote at the 2009 Annual Meeting is necessary to constitute a quorum. Abstentions and shares held by brokers, banks, other institutions and nominees that are voted on any matter at the 2009 Annual Meeting are included in determining the presence of a quorum for the transaction of business at the commencement of the 2009 Annual Meeting and on those matters for which the broker, nominee or fiduciary has authority to vote. In deciding all questions, a shareholder shall be entitled to one vote, in person or by proxy, for each share of Common Stock held in the shareholder’s name at the close of business on the Record Date.

To be elected a Director, each nominee under PROPOSAL 1 must receive the favorable vote of the holders of a plurality of the shares of Common Stock entitled to vote and represented at the 2009 Annual Meeting. In order to ratify the appointment of KPMG LLP as our independent auditors for the fiscal year ending September 30, 2009 under PROPOSAL 2, this proposal must receive the favorable vote of a majority of the outstanding shares of Common Stock entitled to vote at the 2009 Annual Meeting

Each proxy delivered to us, unless the shareholder otherwise specifies therein, will be voted:

- Ø FOR the election as Directors of the persons named under ELECTION OF DIRECTORS—NOMINEES; and
- Ø FOR the ratification of the appointment by the Board of Directors of KPMG LLP as independent auditors.

In each case where the shareholder has appropriately specified how the proxy is to be voted, it will be voted in accordance with this specification. As to any other matter or business which may be brought before the meeting, a vote may be cast pursuant to the accompanying proxy in accordance with the judgment of the person or persons voting the same, but neither our management nor the Board of Directors knows of any such other matter or business. Any shareholder has the power to revoke his proxy at any time insofar as it is then not exercised by giving notice of such revocation, either personally at the meeting or in writing, to Secretary, MACC Private Equities Inc., 580 Second Street, Suite 102, Encinitas, California 92024, or by the execution and delivery to us of a new proxy dated subsequent to the original proxy.

PROPOSAL 1 ELECTION OF DIRECTORS

All Director nominees elected at the 2009 Annual Meeting will serve until the 2010 Annual Meeting of shareholders or until their respective successors shall be elected and qualified. The persons named in the accompanying form of proxy intend to vote such proxy for the election of the nominees named below as Directors to serve until the next Annual Meeting of shareholders or until their respective successors shall be elected and qualified, unless otherwise properly indicated on such proxy. If any nominee shall become unavailable for any reason, the persons named in the accompanying form of proxy are expected to consult with the Board of Directors in voting the shares represented by them at the 2009 Annual Meeting. The Board of Directors has no reason to doubt the availability of any of the nominees and no reason to believe that any of the nominees will be unable or unwilling to serve the entire term for which election is sought. Proxies may not be voted for more than the four Director nominees set forth below. To be elected a Director, each nominee must receive the favorable vote of the holders of a plurality of the shares of Common Stock entitled to vote and represented at the 2009 Annual Meeting. The names of the nominees, along with certain information concerning them, are set forth below.

Nominees

In the charts below, “Interested Director” indicates the director nominee who does not meet the definition of “independent director” provided in the rules applicable to companies listed on the Nasdaq Capital Market. In contrast, “Independent Directors” do meet such qualification. The address for all Director nominees is 580 Second Street SE, Suite 102, Encinitas, California, 92024. None of the Director nominees serves as a director of any other company having a class of securities registered under the Securities Exchange Act of 1934, as amended (the “1934 Act”), or of any investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). Additionally, MACC only consists of one investment portfolio.

Interested Director:

Name and Age	Position(s) Held with the Company	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
Gordon J. Roth, 54†	Director	Since 2000	CFO and Chief Operating Officer, Roth Capital Partners, LLC (independent investment banking firm specializing in small-cap companies), 2000-present; Chairman, Roth &

Company, P.C. (public accounting firm located in Des Moines, Iowa), 1990-2000. Prior to that, Mr. Roth was a partner at Deloitte & Touche, a public accounting firm, in Des Moines.

† As a member of the Board of Managers of Eudaimonia Asset Management, LLC, MACC's investment advisor, Mr. Roth is an "interested person" of MACC, as that term is defined in Section 2(a)(19) of the 1940 Act.

Independent Directors:

Name and Age	Position(s) Held with the Company	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
Geoffrey T. Woolley, 49	Director and Chairman of the Board	Director since 2003, elected Chairman April, 2004	Executive Chairman, Kreos Capital Limited (founded in 1997 by Mr. Woolley to introduce “venture leasing,” an asset-backed debt instrument with equity participation to the European and Israeli markets); Founding Partner, Dominion Ventures, Inc.; Managing Member, Hild Partners, LLC; Director: BH Thermal Corp, University Opportunity Fund and Utah Capital Investment Corporation; Chairman of the Board: MorAmerica, University Venture Fund, Hild Assets, Ltd. and Unitus Equity Fund; Adviser: Polaris Ventures and Von Braun & Schreiber Private Equity. Mr. Woolley holds an M.B.A. from the University of Utah and a B.S. in Business Management with a Minor in Economics from Brigham Young University.
James W. Eiler, 57	Director	Since January, 2008	Principal, Eiler Capital Advisors (Investment Banking), since 2007; Managing Director, First National Investment Bank (Investment Banking), 2007; Managing Partner, Cybus Capital Markets (Investment banking), 2004-2007; Senior Vice President, John Deere Credit (Agricultural Financial Services), 1999-2004. Mr. Eiler holds an M.S. in Ag Economics and a B.S. in Ag Business from Iowa State University.
Michael W. Dunn, 59	Director	Since 1994	Director, MorAmerica since 1994; C.E.O. (since 1980), President and CEO and Director (since 1983), Farmers & Merchants Savings Bank of Manchester, Iowa.

Common Stock Ownership of Directors

The following table represents, as of May 15, 2009 and based upon the closing price as reported by Nasdaq on May 15, 2009, the dollar range value of equity securities beneficially owned (as that term is defined in Rule 16a-1(a)(2) of the 1934 Act) by each nominee for Director. In the table, “Interested Director” indicates Directors who do not meet the definition of “independent director” provided in the rules applicable to companies listed on the Nasdaq Capital Market. In contrast, “Independent Directors” do meet such qualification.

Name of Independent Director	Dollar Range of Equity Securities in MACC	Aggregate Dollar Range [†] of Equity Securities in all Funds in Fund Complex
Michael W. Dunn	\$10,001 - \$50,000	\$10,001 - \$50,000
James W. Eiler	\$1- \$10,000	\$1- \$10,000
Geoffrey T. Woolley	Over \$100,000	Over \$100,000

Name of Interested Director	Dollar Range of Equity Securities in MACC	Aggregate Dollar Range† of Equity Securities in all Funds in Fund Complex
Gordon J. Roth	\$10,001- \$50,000	\$10,001- \$50,000

† MACC only consists of one investment portfolio.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE ELECTION AS DIRECTORS OF THE PERSONS NAMED UNDER “ELECTION OF DIRECTORS—NOMINEES” TO THEIR RESPECTIVE TERMS.

PROPOSAL 2
RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

As recommended by the Audit Committee of our Board of Directors, on December 9, 2008, a majority of those members of the Board of Directors who are not “interested persons” of the Corporation (as defined in Section 2(a)(19) of the 1940 Act) voted in favor of the appointment of KPMG LLP to serve as our independent auditors for the Fiscal Year 2009. The appointment of KPMG LLP as independent auditors is subject to ratification by the shareholders. A representative of KPMG LLP is expected to be present at the 2009 Annual Meeting with an opportunity to make a statement, and will be available to respond to appropriate questions.

In order to ratify the appointment of KPMG LLP as independent auditors for the Fiscal Year 2009, the proposal must receive the favorable vote of a majority of the shares entitled to vote and represented at the 2009 Annual Meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE RATIFICATION OF KPMG LLP AS THE INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009.

OTHER BUSINESS

The Board of Directors knows of no other business to be presented for action at the 2009 Annual Meeting. If any matters do come before the 2009 Annual Meeting on which action can properly be taken, it is intended that the proxies shall vote in accordance with the judgment of the person or persons exercising the authority conferred by the proxy at the 2009 Annual Meeting.

ADDITIONAL INFORMATION

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the 1934 Act, our officers and directors and persons beneficially owning 10% or more of our Common Stock (collectively, “reporting persons”) must file reports on Forms 3, 4 and 5 regarding changes in their holdings of our equity securities with the Securities and Exchange Commission (the “SEC”). Based solely upon a review of copies of these reports sent to our Secretary and/or written representations from reporting persons that no Form 5 was required to be filed with respect to our fiscal year ended September 30, 2008 (“Fiscal Year 2008”), we believe that all Forms 3, 4, and 5 required to be filed by all reporting persons have been properly and timely filed with the SEC with the exception of the Form 3 filed for Director James W. Eiler.

Common Stock Ownership

Our officers and directors, eight in number as a group, beneficially own 248,099 shares of our Common Stock together, equal to 10 % of our outstanding Common Stock. The following table sets forth certain information as of May, 15, 2009, with respect to the Common Stock ownership of: (i) those persons or groups (as that term is used in Section 13(d)(3) of the 1934 Act who beneficially own more than 5% of our Common Stock, and (ii) each Director. Unless otherwise indicated, the address for the persons listed in the table is 580 Second Street, Suite 102, Encinitas, California 92024.

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As of May 15, 2009, there were 2,464,621 shares of Common Stock issued and outstanding. Because they serve as our investment advisers, Eudaimonia Asset Management, LLC (“Eudaimonia” or “EAM”), a California limited liability company located at 580 Second Street, Suite 102, Encinitas, California 92024, and InvestAmerica Investment Advisors, Inc. (“InvestAmerica”), a Delaware corporation located at 101 Second Street S.E., Suite 800, Cedar Rapids IA 52401, are deemed to “control” us, within the meaning of the 1940 Act. Additionally, Atlas Management Partners, LLC (“Atlas”), Bridgewater International Group, LLC (“BIG”), Mr. Benjamin Jiaravanon (a former Director) and Mr. Timothy Bridgewater control us through either direct or beneficial ownership of 804,689 shares of stock, which as of May 15, 2009 comprise 32.6 % of our issued and outstanding stock. Atlas and BIG are organized under the laws of the State of Utah.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class of Voting Common Stock
Atlas Management Partners, LLC (1) One South Main Street, Suite 1660, Salt Lake City, Utah 84133	804,689	32.65%
Bridgewater International Group, LLC (1) 10500 South 1300 West, South Jordan, Utah 84095	804,689	32.65%
Timothy A. Bridgewater (1) 10500 South 1300 West South Jordan, Utah 84095	817,789	33.18%
Benjamin Jiaravanon (1) Ancol Barat, J1 Ancol VIII, No.1, Jakarta 14430 Indonesia	804,689	32.65%
Geoffrey T. Woolley	151,314	6.14%
Gordon J. Roth(2)	34,201	1.38%
Michael W. Dunn	46,584	1.89%
James W. Eiler	10,000	0.04%
All Officers and Directors as a Group	242,099	9.82%

(1)The foregoing information with respect to Atlas, BIG, Mr. Jiaravanon and Mr. Bridgewater is based upon Amendment No. 1 to Schedule 13D, dated September 30, 2003, as subsequently amended February 13, 2004, April 28, 2005 and April 30, 2005, filed by Atlas, BIG and others with the SEC (collectively, the “Atlas Group 13D”). The Atlas Group 13D disclosed control over 804,689 shares of Common Stock owned by BIG (the “BIG Shares”) is governed by a Shareholder and Voting Agreement dated September 29, 2003 among Atlas, BIG and Kent Madsen (the “Shareholder Agreement”). The term of the Shareholder Agreement extends to March 1, 2010 and may be extended in certain circumstances; however, the Shareholder Agreement may also be terminated at any time by any party. Under the Shareholder Agreement, BIG appointed Atlas as its limited proxy to vote the BIG Shares, but

BIG retains all other incidents of ownership of the stock, including beneficial ownership and dispositive power. The Shareholder Agreement also provides Atlas with certain rights of first refusal respecting the BIG Shares and limits BIG's ability to otherwise dispose of the BIG Shares. Pursuant to a Mutual Release and Waiver of Claims and Termination of Shareholder and Voting Agreements among Atlas, BIG and the former managers of Atlas dated April 28, 2005 and filed as part of the Atlas Group 13D, certain former managers of Atlas, including Geoffrey Woolley (the Chairman of the Corporation's Board) and Kent Madsen, no longer have any interests in Atlas and have no voting rights respecting the BIG Shares.

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As voting Managing Director of Atlas, Mr. Bridgewater has shared control over the voting power granted to Atlas under the Shareholder Agreement respecting the BIG Shares, subject to the parties' rights under the Shareholder Agreement. Mr. Bridgewater is also Managing Director of BIG and in that capacity has shared control over the voting power granted to Atlas under the Shareholder Agreement respecting the BIG Shares, subject to the parties' rights under the Shareholder Agreement. Mr. Bridgewater also individually owns 13,100 shares of Common Stock, according to reports Mr. Bridgewater has filed with the SEC pursuant to Section 16(a) of the Exchange Act. As the sole Managing Member of BIG, Mr. Jiaravanon has shared control over the voting power granted to Atlas under the Shareholder Agreement respecting the BIG Shares, subject to the parties' rights under the Shareholder Agreement. BIG is a wholly owned subsidiary of Aleksin, a corporation organized under the laws of the British Virgin Islands. Aleksin is a wholly-owned subsidiary of Maze Industrial Ltd. ("Maze"), a corporation organized under the laws of the British Virgin Islands. Maze is 100% owned by Sumet Jiaravanon, an individual.

(2) Mr. Gordon Roth individually owns 5,151 shares of Common Stock. Roth Capital Partners, LLC, in which Mr. Roth has shared control of voting power, owns 29,050 shares of Common Stock.

Executive Officers

Our current officers are listed in the chart below. As affiliated persons of Eudaimonia, the officers are "interested persons," as that term is defined in Section 2(a)(19) of the 1940 Act, of the Corporation. The address for all officers is 580 2nd Street, Suite 102, Encinitas, California 92024.

Name and Age	Position(s) Held with the Corporation	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
Travis T. Prentice, 33	President and CEO	Since April, 2008	President and Chief Investment Officer of EAM, a firm he co-founded in 2007. In addition, he serves as portfolio manager for the firm's Micro Cap Growth and Ultra Micro Cap Growth investment strategies. Prior to founding EAM, Mr. Prentice was a Partner, Managing Director and Portfolio Manager with Nicholas-Applegate Capital Management where he had lead portfolio management responsibilities for their Micro and Ultra Micro Cap investment strategies and a senior role in the firm's US Micro/Emerging Growth team. He brings ten years of institutional investment experience from Nicholas Applegate where he originally joined in 1997. He holds a Masters in Business Administration from San Diego State University and a Bachelor of Arts in Economics and a Bachelor of Arts in Psychology from the University of Arizona.
Derek J. Gaertner, 37	Chief Financial Officer and CCO	Since April, 2008	Vice President and Chief Operating/ Compliance Officer of EAM. Prior to joining EAM in 2007, Mr. Gaertner was the Chief Financial Officer of Torrey Pines Capital Management, a global long/short equity hedge fund located in San Diego, California. He was also responsible for overseeing the firm's regulatory compliance and operations functions. Prior to

joining Torrey Pines Capital Management in 2004, Mr. Gaertner was a Tax Manager with PricewaterhouseCoopers LLP. He has over 8 years of public accounting experience in both the audit and tax departments. Mr. Gaertner is a Certified Public Accountant and has a Bachelors of Science in Accounting from the University of Southern California and Masters of Science in Taxation from Golden Gate University, San Francisco.

Name
and Age

Held with
the