

Main Street Capital CORP
Form DEF 14A
April 29, 2008

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

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

Main Street Capital Corporation

(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)(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:

Table of Contents

Main Street Capital Corporation
1300 Post Oak Boulevard, Suite 800
Houston, Texas 77056

May 7, 2008

Dear Stockholder:

You are cordially invited to attend this year's Annual Meeting of Stockholders of Main Street Capital Corporation, which will be held on June 17, 2008, at 1330 Post Oak Boulevard, First Floor Auditorium, Houston, Texas, commencing at 9:00 AM, local time. The notice of annual meeting and proxy statement following this letter describe the matters to be acted on at the meeting.

If your shares are held in book-entry form on the records of American Stock Transfer & Trust Company, our transfer agent and registrar, we have enclosed a proxy card for your use. You may vote these shares by completing and returning the proxy card or, alternatively, calling a toll-free telephone number or using the Internet as described on the proxy card. If a broker or other nominee holds your shares in street name, your broker has enclosed a voting instruction form, which you should use to vote those shares. The voting instruction form indicates whether you have the option to vote those shares by telephone or by using the Internet.

Thank you for your support of our company.

Sincerely yours,

/s/ Vincent D. Foster

VINCENT D. FOSTER

Chairman of the Board and

Chief Executive Officer

YOUR VOTE IS IMPORTANT.

Whether or not you plan to attend the meeting, please take a few minutes now to vote your shares.

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on June 17, 2008.

Our proxy statement and annual report are available on the Internet at <http://mainstcapital.com> under the Proxy section of our Web site.

The following information applicable to the Annual Meeting may be found in the proxy statement and accompanying proxy card:

- The date, time and location of the meeting;
 - A list of the matters intended to be acted on and our recommendations regarding those matters;
 - Any control/identification numbers that you need to access your proxy card; and
 - Information about attending the meeting and voting in person.
-

Table of Contents

**Main Street Capital Corporation
1300 Post Oak Boulevard, Suite 800
Houston, Texas 77056**

Notice of 2008 Annual Meeting of Stockholders

The 2008 Annual Meeting of the Stockholders of Main Street Capital Corporation, a Maryland corporation, will be held at 1330 Post Oak Boulevard, First Floor Auditorium, Houston, Texas, on Tuesday, June 17, 2008, at 9:00 AM local time, in order to:

- (1) elect our directors for a term of one year;
- (2) consider and approve our 2008 Equity Incentive Plan;
- (3) consider and approve our 2008 Non-Employee Director Restricted Stock Plan;
- (4) approve a proposal to authorize us, with the approval of our Board of Directors, to sell shares of our common stock during the next twelve months at a price below our then current net asset value per share;
- (5) approve a proposal to authorize us, with the approval of our Board of Directors, to issue warrants, options or rights to subscribe for, convert to, or purchase our common stock in one or more offerings;
- (6) ratify our appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2008; and
- (7) transact such other business as may properly come before the meeting or any adjournment thereof.

If you were a stockholder as of the close of business on May 5, 2008, you are entitled to vote at the meeting and at any adjournment thereof.

Please indicate your vote as to the matters to be acted on at the meeting by following the instructions provided in the enclosed proxy card or voting instruction form, whether or not you plan on attending the meeting. If you plan to attend the meeting and wish to vote or change your vote there, please review the instructions set forth in the accompanying proxy statement under the caption **Voting Information.**

We have enclosed a copy of our Annual Report on Form 10-K for the year ended December 31, 2007, with this notice and proxy statement.

By Order of the Board of Directors,

/s/ Rodger A. Stout

RODGER A. STOUT

Secretary

Dated: May 7, 2008

PROXY STATEMENT FOR 2008 ANNUAL MEETING OF STOCKHOLDERS

TABLE OF CONTENTS

	Page
<u>GENERAL INFORMATION</u>	1
<u>VOTING INFORMATION</u>	1
<u>Record Date and Who May Vote</u>	1
<u>How to Vote</u>	1
<u>How to Revoke or Change Your Vote</u>	2
<u>Quorum</u>	2
<u>Proposals to Be Voted on; Vote Required; and How Votes Are Counted</u>	2
<u>Confidential Voting</u>	3
<u>ELECTION OF DIRECTORS</u>	
<u>(ITEM 1)</u>	4
<u>CORPORATE GOVERNANCE</u>	7
<u>Director Independence</u>	7
<u>Communications with the Board</u>	7
<u>Lead Director</u>	7
<u>Board of Directors and its Committees</u>	7
<u>Compensation Committee Interlocks and Insider Participation</u>	8
<u>Director Nomination Process</u>	8
<u>COMPENSATION OF DIRECTORS</u>	10
<u>Director Compensation Table</u>	10
<u>EXECUTIVE OFFICERS</u>	11
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	12

<u>Compensation Philosophy and Objectives</u>	12
<u>Executive Compensation Components</u>	13
<u>Base Salary</u>	13
<u>Annual Bonus</u>	14
<u>Long-Term Incentive Awards</u>	14
<u>Employment Agreements</u>	14
<u>Change in Control and Severance</u>	15
<u>Benefit Plans and Programs</u>	16
<u>Perquisites</u>	16
<u>Tax Deductibility of Pay</u>	16
<u>COMPENSATION COMMITTEE REPORT</u>	17
<u>COMPENSATION OF EXECUTIVE OFFICERS</u>	18
<u>Summary Compensation Table</u>	18
<u>Potential Payments upon Termination or Change in Control</u>	19
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	20
<u>AUDIT COMMITTEE REPORT</u>	22
<u>APPROVAL OF THE 2008 EQUITY INCENTIVE PLAN</u>	
<u>(ITEM 2)</u>	23
<u>Background and Purpose</u>	23
<u>Shares Available for Awards</u>	23
<u>Use of Restricted Stock</u>	23
<u>Eligibility</u>	24
<u>Administration</u>	24
<u>General Terms of Awards</u>	24
<u>Change in Control</u>	26

Table of Contents

	Page
<u>SEC Order and Limitations on Awards</u>	26
<u>Amendment and Termination</u>	27
<u>Outstanding Restricted Stock Awards</u>	27
<u>U.S. Federal Income Tax Consequences</u>	27
 <u>APPROVAL OF THE 2008 NON-EMPLOYEE DIRECTOR RESTRICTED STOCK PLAN</u>	
<u>(ITEM 3)</u>	29
<u>Background and Purpose</u>	29
<u>Shares Available for Awards</u>	29
<u>Eligibility</u>	29
<u>Administration</u>	29
<u>General Terms of Awards</u>	29
<u>Annual Awards; SEC Order and Limitation</u>	30
<u>Amendment and Termination</u>	30
<u>Outstanding Restricted Stock Awards</u>	30
<u>U.S. Federal Income Tax Consequences</u>	31
 <u>APPROVAL TO AUTHORIZE THE SALE OF COMMON STOCK DURING THE NEXT YEAR AT A PRICE BELOW NET ASSET VALUE PER SHARE</u>	
<u>(ITEM 4)</u>	32
 <u>APPROVAL TO AUTHORIZE THE ISSUANCE OF WARRANTS, OPTIONS OR RIGHTS TO SUBSCRIBE FOR, CONVERT TO, OR PURCHASE OUR COMMON STOCK IN ONE OR MORE OFFERINGS</u>	
<u>(ITEM 5)</u>	35
 <u>RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR YEAR ENDING DECEMBER 31, 2008</u>	
<u>(ITEM 6)</u>	37

<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	38
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	39
<u>STOCKHOLDERS PROPOSALS</u>	40
<u>Appendix A</u>	
<u>2008 EQUITY INCENTIVE PLAN</u>	A-1
<u>Appendix B</u>	
<u>2008 NON-EMPLOYEE DIRECTOR RESTRICTED STOCK PLAN</u>	B-1

Table of Contents

**Main Street Capital Corporation
1300 Post Oak Boulevard, Suite 800
Houston, Texas 77056**

**PROXY STATEMENT
2008 Annual Meeting of Stockholders**

GENERAL INFORMATION

We are mailing this proxy statement and accompanying proxy card to our stockholders beginning on May 7, 2008. Our Board of Directors is soliciting your proxy to vote your shares at our 2008 Annual Meeting of Stockholders (the Annual Meeting) to be held on June 17, 2008. We will bear all expenses incurred in connection with this proxy solicitation, which we expect to conduct primarily by mail. We have engaged Laurel Hill Advisory Group LLC to assist in the solicitation for a fee that will not exceed \$6,500, plus out-of-pocket expenses. In addition, our officers and regular employees may solicit your proxy by telephone, by facsimile transmission or in person, for which they will not be separately compensated. If your shares are held through a broker or other nominee (*i.e.*, in street name), we have requested that your broker or nominee forward this proxy statement to you and obtain your voting instructions, for which we will reimburse them for reasonable out-of-pocket expenses.

VOTING INFORMATION

Record Date and Who May Vote

Our Board of Directors selected May 5, 2008 as the record date (the Record Date), for determining stockholders entitled to vote at the Annual Meeting. This means that if you were a registered stockholder with our transfer agent and registrar, American Stock Transfer and Trust Company, on the Record Date, you may vote your shares on the matters to be considered by our stockholders at the Annual Meeting. If your shares were held in street name on that date, the broker or other nominee that was the record holder of your shares has the authority to vote them at the Annual Meeting. They have forwarded to you this proxy statement seeking your instructions on how you want your shares voted.

On the Record Date, 8,959,718 shares of our common stock were outstanding. Each outstanding share of common stock entitles its holder to one vote on each matter to be acted on at the Annual Meeting.

How to Vote

For shares held of record, you can vote your shares in person at the Annual Meeting or vote now by giving us your proxy. You may give us your proxy by completing the enclosed proxy card and returning it in the enclosed U.S. postage-prepaid envelope, or by calling a toll-free telephone number or using the Internet as further described in the enclosed proxy card. In either case, telephone and Internet voting procedures have been designed to verify your identity through a personal identification or control number and to confirm that your voting instructions have been properly recorded. If you vote using either of these electronic means, you will save us return mail expense.

By giving us your proxy, you will be directing us on how to vote your shares at the Annual Meeting. Even if you plan on attending the Annual Meeting, we urge you to vote now by giving us your proxy. This will ensure that your vote is represented at the Annual Meeting. If you do attend the Annual Meeting, you can change your vote at that time, if you then desire to do so.

If your shares are held in street name, the broker or nominee that holds your shares has the authority to vote them, absent your approval, only as to routine matters, such as the election of our directors and the ratification of our appointment of our independent registered public accounting firm. For all other matters, the broker or nominee that holds your shares will need to obtain your authorization to vote those shares and has enclosed a voting instruction form with this proxy statement. In either case, they will vote your shares as you direct on their voting instruction form. You can vote by completing the enclosed voting instruction form and returning it in the enclosed U.S. postage-prepaid envelope. If you want to vote your shares in person at the Annual Meeting, you must obtain a valid proxy from your broker or nominee. You should refer to the instructions provided in the enclosed voting instruction form for further information. Additionally, the availability of telephone or Internet voting depends on the voting process used by the broker or nominee that holds your shares.

You may receive more than one proxy statement and proxy card or voting instruction form if your shares are held through more than one account (*e.g.*, through different brokers or nominees). Each proxy card or voting instruction form only covers those shares of common stock held in the applicable account. If you hold shares in more than one account, you will have to provide voting instructions as to all your accounts to vote all your shares.

Table of Contents

How to Revoke or Change Your Vote

For shares held of record, you may revoke a proxy or change your vote at any time before it is exercised by written notice to our Corporate Secretary, granting a new proxy or by voting in person at the Annual Meeting. Unless you attend the Annual Meeting and vote your shares in person, you should change your vote using the same method (by telephone, Internet or mail) that you first used to vote your shares. That way, the inspectors of election for the meeting will be able to verify your latest vote.

For shares held in street name, you should follow the instructions in the voting instruction form provided by your broker or nominee to change your vote. If you want to change your vote as to shares held in street name by voting in person at the Annual Meeting, you must obtain a valid proxy from the broker or nominee that holds those shares for you.

Quorum

The Annual Meeting will be held only if a quorum exists. The presence at the Annual Meeting, in person or by proxy, of holders of a majority of our outstanding shares of common stock as of the Record Date will constitute a quorum. If you attend the meeting or vote your shares using the enclosed proxy card or voting instruction form (including any telephone or Internet voting procedures provided), your shares will be counted toward a quorum, even if you abstain from voting on a particular matter. Shares held by brokers and other nominees as to which they have not received voting instructions from the beneficial owners and lack the discretionary authority to vote on a particular matter are called broker non-votes and will count for quorum purposes.

Proposals to Be Voted on; Vote Required; and How Votes Are Counted

We are asking you to vote on the following:

- the election of all the members of our Board of Directors;
- the approval of our 2008 Equity Incentive Plan;
- the approval of our 2008 Non-Employee Director Restricted Stock Plan;
- the proposal to authorize us, with approval of our Board of Directors, to sell shares of our common stock during the next twelve months at a price below our then current net asset value per share;
- the proposal to authorize us, with approval of our Board of Directors, to issue warrants, options or rights to subscribe for, convert to, or purchase our common stock in one or more offerings; and
- the ratification of our appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2008.

Election of Directors. The affirmative vote, in person or by proxy, of a plurality of all the votes cast at the Annual Meeting is sufficient to elect a director. Each share may be voted for each of the six director nominees. Abstentions will have no effect on the outcome of the vote on this item.

Approval of our 2008 Equity Incentive Plan and our 2008 Non-Employee Director Restricted Stock Plan. The approval of our 2008 Equity Incentive Plan and the approval of our 2008 Non-Employee Director Restricted Stock Plan require affirmative votes of a majority of the votes cast at the Annual Meeting, in person or by proxy. Abstentions and broker non-votes will not be included in determining the number of votes cast and, as a result, will not have any effect on the result of the vote.

Approval to Authorize the Sale of Common Stock During the Next Twelve Months at a Price Below Net Asset Value Per Share. Under the Investment Company Act of 1940, or the Investment Company Act, the affirmative vote of (1) the holders of a majority of the shares of stock outstanding and entitled to vote at the Annual Meeting; and (2) the holders of a majority of the shares of stock outstanding and entitled to vote at the Annual Meeting that are not held by affiliated persons of our company (as such term is defined in the Investment Company Act) is required to approve this proposal. For purposes of this proposal, the Investment Company Act defines a majority of the outstanding shares as: (A) 67% or more of the voting securities of a company present at a meeting if the holders of more than 50% of the outstanding voting securities of such company are present or represented by proxy; or (B) 50% of the outstanding voting securities of such company, whichever is less. Abstentions and broker non-votes will have the effect of votes against this proposal.

Table of Contents

Approval to Authorize the Issuance of Warrants, Options or Rights to Subscribe for, Convert to or Purchase our Common Stock in One or More Offerings. The affirmative vote of a majority of the votes cast at the Annual Meeting, in person or by proxy, is required for approval of this proposal. Abstentions and broker non-votes will not be included in determining the number of votes cast and, as a result, will not have any effect on the result of the vote.

Ratification of Independent Registered Public Accounting Firm. The affirmative vote of a majority of the votes cast at the Annual Meeting, in person or by proxy, is required to ratify the appointment of Grant Thornton LLP to serve as our independent registered public accounting firm. Abstentions will not be included in determining the number of votes cast and, as a result, will not have any effect on the result of the vote.

We are not aware of any other matters that may be presented or acted on at the Annual Meeting. If you vote by signing and returning the enclosed proxy card or using the telephone or Internet voting procedures, the individuals named as proxies on the card may vote your shares, in their discretion, on any other matter requiring a stockholder vote that comes before the Annual Meeting.

Confidential Voting

All voted proxies and ballots will be handled to protect your voting privacy as a stockholder. Your vote will not be disclosed except:

- to meet any legal requirements;
- in limited circumstances such as a proxy contest in opposition to our Board of Directors;
- to permit independent inspectors of election to tabulate and certify your vote; or
- to adequately respond to your written comments on your proxy card.

Table of Contents**ELECTION OF DIRECTORS
(ITEM 1)**

Pursuant to our articles of incorporation, each member of our Board of Directors serves a one-year term, until the annual meeting of stockholders and until his respective successor is duly qualified and elected. Currently, our Board of Directors has six members.

The term of office of all directors will expire at this year's Annual Meeting. On the nomination of our Board of Directors, Messrs. Michael Appling Jr., Joseph E. Canon, Arthur L. French, William D. Gutermuth, Vincent D. Foster and Todd A. Reppert will stand for reelection as directors at the Annual Meeting for a term of one year.

Unless otherwise directed, the persons named as proxies on the enclosed proxy card intend to vote FOR the election of the nominees. If any nominee should become unavailable for election, the shares will be voted for such substitute nominee as may be proposed by our Board of Directors. However, we are not aware of any circumstances that would prevent any of the nominees from serving.

Set forth below is certain information (ages are as of April 30, 2008) with respect to the nominees for election as directors. Certain of our directors who are also our officers may serve as directors of, or on the boards of, certain of our portfolio companies. The business address of each nominee listed below is 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056.

Nominees

Name and Principal Occupation	Age	Director Since
Independent Directors		
Michael Appling, Jr. Mr. Appling is the President and Chief Executive Officer of TNT Crane & Rigging Inc., a privately held full service crane and rigging operator. From July 2002 through August 2007, he was the Executive Vice President and Chief Financial Officer of XServ, Inc., a large private equity-funded, international industrial services and rental company. Mr. Appling has also held the position of CEO and President for United Scaffolding, Inc., an XServ, Inc. operating subsidiary. In February 2007, XServ, Inc. was sold to The Brock Group, a private industrial services company headquartered in Texas. From March 2000 to June 2002, Mr. Appling served as the Chief Financial Officer of CheMatch.com, an online commodities trading forum, ChemConnect, Inc., a venture-backed independent trading exchange, acquired CheMatch.com in January 2002. From June 1999 to March 2000, Mr. Appling was Vice President and Chief Financial Officer of American Eco Corporation, a publicly traded, international fabrication, construction and maintenance provider to the energy, pulp and paper and power industries. He worked for ITEQ, Inc., a publicly traded, international fabrication and services company from September 1997 to May 1999, first as a Director of Corporate Development and then as Vice President, Finance and Accounting. From July 1991 to September 1997, Mr. Appling worked at Arthur Andersen LLP, where he practiced as a certified public accountant.	41	2007
Joseph E. Canon Since 1982, Mr. Canon has been the Executive Vice President and Executive Director, and a member of the Board of Directors, of Dodge Jones Foundation, a private charitable foundation located in Abilene, Texas. Prior to 1982, Mr. Canon was an Executive Vice President of the First National Bank	66	2007

of Abilene. From 1974 to 1982, he was the Vice President and Trust Officer with the First National Bank of Abilene. Mr. Canon currently serves on the Board of Directors of First Financial Bankshares, Inc. (NASDAQ-GM:FFIN), a financial holding company headquartered in Abilene, Texas. Mr. Canon also serves on the Board of Directors for several bank and trust/asset management subsidiaries of First Financial Bankshares, Inc. He has also served on the Board of Directors of various other organizations including the Abilene Convention and Visitors Bureau, Abilene Chamber of Commerce, Conference of Southwest Foundations, City of Abilene Tax Increment District, West Central Texas Municipal Water District and the John G. and Marie Stella Kenedy Memorial Foundation.

Table of Contents

Name and Principal Occupation	Age	Director Since
<p>Arthur L. French</p> <p>From September 2003 through March 2007, Mr. French was a member of the Advisory Board of Main Street Capital Partners, LLC and a limited partner of Main Street Mezzanine Fund, LP (both of which are now subsidiaries of Main Street Capital). Mr. French began his private investment activities in January 2000; he has served as a director of FabTech Industries, a steel fabricator, since November 2000, and as a director of Rawson, Inc., a distributor of industrial instrumentation products, since May 2003. Mr. French served as Chairman and Chief Executive Officer of Metals USA Inc. from 1996-1999, where he managed the process of founders acquisition, assembled the management team and took the company through a successful IPO in July 1997. From 1989-1996, he served as Executive Vice President and Director of Keystone International, Inc. After serving as a helicopter pilot in the United States Army, Captain-Corps of Engineers from 1963-1966, Mr. French began his career as a Sales Engineer for Fisher Controls International, Inc., in 1966. During his 23-year career at Fisher Controls, from 1966-1989, Mr. French held various titles, and ended his career at Fisher Controls as President and Chief Operating Officer.</p>	67	2007
<p>William D. Gutermuth</p> <p>Since 1986, Mr. Gutermuth has been a partner in the law firm of Bracewell & Giuliani LLP, specializing in the practice of corporate and securities law. From 1999 until 2005, Mr. Gutermuth was the Chair of Bracewell & Giuliani's Corporate and Securities Section and in 2005 and 2006 served as a member of the Executive Committee of the firm's Business Group.</p>	56	2007
<p>Interested Directors</p> <p><i>Messrs. Foster and Reppert are interested persons, as defined in the Investment Company Act, due to their positions as officers of Main Street Capital.</i></p>		
<p>Vincent D. Foster</p> <p>Vincent D. Foster is the Chairman of our Board of Directors and our Chief Executive Officer as well as a member of our investment committee. Since 2002, Mr. Foster has been a senior managing director of Main Street Mezzanine Management, LLC and Main Street Capital Partners, LLC (both of which are now subsidiaries of Main Street Capital). He has also been the senior managing director of the general partner for Main Street Capital II, LP, a small business investment company he co-founded, since January 2006. From 2000 to 2002, Mr. Foster was the senior managing director of the predecessor entity of Main Street Mezzanine Fund. Prior to that, Mr. Foster co-founded Main Street Merchant Partners, a merchant-banking firm. He has served as director and the non-executive chairman of U.S. Concrete, Inc. (NASDAQ-GM: RMIX) since 1999. He also serves as a director of Quanta</p>	51	2007

Services, Inc. (NYSE: PWR), an electrical and telecommunications contracting company, Carriage Services, Inc. (NYSE: CSV), a death-care company, and Team, Inc. (NASDAQ-GS: TISI), a provider of specialty industrial services. In addition, Mr. Foster serves as a director, officer and founder of the Houston/Austin/San Antonio Chapter of the National Association of Corporate Directors. Prior to his private investment activities, Mr. Foster was a partner of Andersen Worldwide and Arthur Andersen LLP from 1988-1997. Mr. Foster was the director of Andersen's Corporate Finance and Mergers and Acquisitions practice for the Southwest United States and specialized in working with companies involved in consolidating industries.

Todd A. Reppert

38

2007

Todd A. Reppert is our President and Chief Financial Officer and is a member of our investment committee. Since 2002, he has been a senior managing director of Main Street Mezzanine Management, LLC and Main Street Capital Partners, LLC (both of which are now subsidiaries of Main Street Capital). Mr. Reppert has been a senior managing director of the general partner for Main Street Capital II, LP, a small business investment company he co-founded, since January 2006. From 2000 to 2002, Mr. Reppert was a senior managing director of the predecessor entity of Main Street Mezzanine Fund. Prior to that, he was a principal of Sterling City Capital, LLC, a private investment group focused on small to middle-market companies. Prior to joining Sterling City Capital in 1997, Mr. Reppert was with Arthur Andersen LLP. At Arthur Andersen LLP, he assisted in several industry consolidation initiatives, as well as numerous corporate finance and merger/acquisition initiatives. Mr. Reppert is a member of the board of directors for the Houston Chapter of the Association for Corporate Growth.

Table of Contents

The affirmative vote, in person or by proxy, of a plurality of all the votes cast at the Annual Meeting is sufficient to elect a director. Each share may be voted for each of the six director nominees. Abstentions will have no effect on the outcome of the vote on this item.

**THE BOARD OF DIRECTORS RECOMMENDS YOU VOTE FOR THE NOMINEES
NAMED IN THIS PROXY STATEMENT.**

Table of Contents

CORPORATE GOVERNANCE

We maintain a corporate governance section on our Web site which contains copies of the charters for the committees of our Board of Directors. The corporate governance section may be found at <http://mainstcapital.com> under

Governance in the Investor Relations section of our Web site. The corporate governance section contains the following documents, which are available in print to any stockholder who requests a copy in writing to Main Street Capital Corporation, Corporate Secretary's Office, 1300 Post Oak Blvd., Suite 800, Houston, Texas 77056:

Audit Committee Charter

Nominating and Corporate Governance Committee Charter

Compensation Committee Charter

In addition, our Code of Business Conduct and Ethics may be found at <http://mainstcapital.com> under Governance in the Investor Relations section of our Web site and is available in print to any stockholder who requests a copy in writing.

Director Independence

Our Board of Directors consists of six members, four of whom are classified under applicable listing standards of the Nasdaq Stock Market as independent directors and under Section 2(a)(19) of the Investment Company Act as not interested persons. Based on these independence standards, our Board of Directors has affirmatively determined that the following directors are independent:

Michael Appling Jr.

Joseph E. Canon

Arthur L. French

William D. Gutermuth

Our Board of Directors considered the following relationships in evaluating our directors' independence under the applicable listing standards of the Nasdaq Stock Market. Both Messrs. Canon and French had previously been limited partners in Main Street Mezzanine Fund, LP, and Mr. French had previously served on the Advisory Board of Main Street Capital Partners, LLC, one of our wholly owned subsidiaries and the investment advisor to Main Street Mezzanine Fund, LP. Our Board of Directors determined that those prior relationships would not impact the ability of either Mr. Canon or Mr. French to exercise independent judgment and do not impair the independence of either of them.

Communications with the Board

Stockholders or other interested persons may send written communications to the members of our Board of Directors, addressed to Board of Directors, c/o Main Street Capital Corporation, Corporate Secretary's Office, 1300 Post Oak Blvd., Suite 800, Houston, Texas 77056. All communications received in this manner will be delivered to one or more members of our Board of Directors.

Lead Director

Our Board of Directors approved the designation of Arthur L. French as lead director to preside at all executive sessions of non-management directors. In the lead director's absence, the remaining non-management directors may appoint a presiding director by majority vote. The non-management directors meet in executive session without management on a regular basis. Stockholders or other interested persons may send written communications to Arthur L. French, addressed to Lead Director, c/o Main Street Capital Corporation, Corporate Secretary's Office, 1300 Post Oak Blvd., Suite 800, Houston, Texas 77056.

Board of Directors and its Committees

Board of Directors. Our Board of Directors met three times and acted by unanimous written consent three times during 2007. All directors attended 100% of the meetings of the Board of Directors and of the committees on which they served during 2007. We require each director to make a diligent effort to attend all Board and committee meetings, as well as each Annual Meeting of Stockholders.

Table of Contents

Committees. Our Board of Directors currently has, and appoints the members of, standing Audit, Compensation and Nominating and Corporate Governance Committees. Each of those committees is comprised entirely of independent directors and has a written charter approved by our Board of Directors. The current members of the committees are identified in the following table.

Director	Board Committees		
	Audit	Compensation	Nominating and Corporate Governance
Michael Appling Jr.	Chair		ü
Joseph E. Canon	ü	ü	Chair
Arthur L. French	ü	Chair	
William D. Gutermuth		ü	ü

Audit Committee. During the year ended December 31, 2007, the Audit Committee met once. The Audit Committee is responsible for selecting, engaging and discharging our independent accountants, reviewing the plans, scope and results of the audit engagement with our independent accountants, approving professional services provided by our independent accountants (as well as the compensation for those services), reviewing the independence of our independent accountants and reviewing the adequacy of our internal control over financial reporting. In addition, the Audit Committee is responsible for assisting our Board of Directors, in connection with its review and approval of the determination of the fair value of our debt and equity securities that are not publicly traded or for which current market values are not readily available. Our Board of Directors has determined that Mr. Appling is an Audit Committee financial expert as defined by the Securities and Exchange Commission, or SEC, and an independent director. Messrs. Canon and French are the other members of the Audit Committee. For more information on the backgrounds of these directors, see their biographical information under Election of Directors above.

Compensation Committee. During the year ended December 31, 2007, the Compensation Committee met once. In addition, the Compensation Committee had several informal meeting regarding compensation matters. The Compensation Committee determines the compensation for our executive officers and the amount of salary, bonus and stock-based compensation to be included in the compensation package for each of our executive officers. The actions of the Compensation Committee are generally reviewed and ratified by the entire Board of Directors, excluding the employee directors. The members of the Compensation Committee are Messrs. Canon, French and Gutermuth.

Nominating and Corporate Governance Committee. During the year ended December 31, 2007, the Nominating and Corporate Governance Committee met once. The Nominating and Corporate Governance Committee is responsible for determining criteria for service on our Board of Directors, identifying, researching and recommending to the Board of Directors director nominees for election by our stockholders, selecting nominees to fill vacancies on our Board of Directors or a committee of the Board, developing and recommending to our Board of Directors any amendments to our corporate governance principles and overseeing the self-evaluation of our Board of Directors and its committees and evaluations of our management. The members of the Nominating and Corporate Governance Committee are Messrs. Appling, Canon and Gutermuth.

Compensation Committee Interlocks and Insider Participation

Each member of the Compensation Committee is independent for purposes of the applicable listing standards of the Nasdaq Stock Market. No member of the Compensation Committee (1) was, during the year ended December 31, 2007, or had previously been, an officer or employee of Main Street Capital or any of its subsidiaries or (2) had any material interest in a transaction of Main Street Capital or any of its subsidiaries or a business relationship with, or any indebtedness to, Main Street Capital or any of its subsidiaries. No interlocking relationship existed during the year ended December 31, 2007 between any member of the Board of Directors or the Compensation Committee and an executive officer of Main Street Capital.

Director Nomination Process

Our Nominating and Governance Committee has determined that a candidate for election to our Board of Directors must satisfy our general criteria. Each candidate must:

be an individual of the highest character and integrity and have an inquiring mind, vision, a willingness to ask hard questions and the ability to work well with others;

be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;

Table of Contents

be willing and able to devote sufficient time to the affairs of our company and be diligent in fulfilling the responsibilities of a member of our Board of Directors and a member of any committee thereof (including: developing and maintaining sufficient knowledge of our company and the specialty finance industry in general; reviewing and analyzing reports and other information important to responsibilities of the Board of Directors and any committee of our Board of Directors; preparing for, attending and participating in meetings of our Board of Directors and meetings of any committee of our Board of Directors; and satisfying appropriate orientation and continuing education guidelines); and have the capacity and desire to represent the balanced, best interests of our stockholders as a whole and not primarily a special interest group or constituency.

The Nominating and Corporate Governance Committee seeks to identify potential director candidates who will strengthen the Board of Directors and will contribute to the overall mix of specific criteria identified above. This process includes establishing procedures for soliciting and reviewing potential nominees from directors and for advising those who suggest nominees of the outcome of such review. The Nominating and Corporate Governance Committee also has the authority to retain and terminate any search firm used to identify director candidates.

Any stockholder may nominate one or more persons for election as one of our directors at an annual meeting of stockholders if the stockholder complies with the notice, information and consent provisions contained in our by-laws and any other applicable law, rule or regulation regarding director nominations. When submitting a nomination to our company for consideration, a stockholder must provide certain information that would be required under applicable SEC rules, including the following minimum information for each director nominee: full name, age and address; class, series and number of any shares of our stock beneficially owned by the nominee, if any; the date such shares were acquired and the investment intent of such acquisition; whether such stockholder believes the nominee is an interested person of our company, as defined in the Investment Company Act; and all other information required to be disclosed in solicitations of proxies for election of directors in an election contest or is otherwise required, including the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected. See Stockholders' Proposals in this proxy statement and our by-laws for other requirements of stockholder proposals. The Nominating and Corporate Governance Committee will consider candidates identified through the processes described above, and will evaluate each of them, including incumbents, based on the same criteria. The Nominating and Corporate Governance Committee also takes into account the contributions of incumbent directors as Board members and the benefits to us arising from their experience on our Board of Directors. Although the Nominating and Corporate Governance Committee will consider candidates identified by stockholders, the Nominating and Corporate Governance Committee may determine not to recommend those candidates to our Board of Directors, and our Board of Directors may determine not to nominate any candidates recommended by the Nominating and Corporate Governance Committee. None of the director nominees named in this proxy statement was nominated by stockholders.

Table of Contents**COMPENSATION OF DIRECTORS**

The following table sets forth the compensation that we paid during the year ended December 31, 2007 to our directors. Directors who are also employees of Main Street Capital or of its subsidiaries do not receive compensation for their services as directors.

Director Compensation Table

Name	Fees Earned or Paid in Cash	Total
Michael Appling Jr.	\$ 40,000	\$ 40,000
Joseph E. Canon	35,000	35,000
Arthur L. French ⁽¹⁾	35,000	35,000
William D. Gutermuth	30,000	30,000

(1) Does not include consulting fees of \$7,500 paid to Mr. French for serving on the Advisory Board of Main Street Capital Partners, LLC, one of our wholly owned subsidiaries and the investment advisor to Main Street Mezzanine Fund, LP. Mr. French resigned from that Advisory Board prior to our initial public offering.

The compensation for non-employee directors for 2007 was comprised of cash compensation paid to or earned by directors in connection with their service as a director. That cash compensation consisted of an annual retainer of \$30,000. Those directors will not receive fees based on meetings attended absent circumstances that require an exceptionally high number of meetings within an annual period. We also reimburse our non-employee directors for all reasonable expenses incurred in connection with their service on our Board. The chairs of our Board committees receive additional annual retainers as follows:

the chair of the Audit Committee: \$10,000; and

the chair of each of the Compensation and Nominating and Corporate Governance committees: \$5,000.

Assuming approval of our 2008 Non-Employee Director Restricted Stock Plan at the Annual Meeting, we intend to grant each of our non-employee directors: (i) shares of restric