MACC PRIVATE EQUITIES INC
Form 10-K
December 28, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 0-24412
MACC PRIVATE EQUITIES INC.
(Exact Name of Registrant as specified in Charter)

Delaware	42-1421406
(State or Other Jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)
101 Second Street SE, Ste. 800, Cedar Rapids, Iowa (Address of principal executive offices)	52401 (Zip Code)

Registrant's Telephone Number Including Area Code: (319) 363-8249

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
None	None

Securities Registered Pursuant to Section 12(g) of the Act:
Common Stock, $.01 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No |X|

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No |X|

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. |X|

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer |X|

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No |X|

Aggregate market value of the voting stock held by non-affiliates of the registrant as of March 30, 2007, based upon the closing sale price reported by the Nasdaq Capital Market on that date of $2.15: $2,816,895.60.

Number of shares outstanding of the registrant's Common Stock, $.01 par value, as of November 30, 2007: 2,464,621.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Annual Report to Stockholders for the year ended September 30, 2007 are incorporated by reference into Parts II and IV of this Report.

This Annual Report on Form 10-K of MACC Private Equities Inc. (the "Corporation" or "we" or "us") and its subsidiary, MorAmerica Capital Corporation (together, the "Companies") contains forward-looking statements. All statements in this Annual Report on Form 10-K, including those made by the management of the Companies, other than statements of historical fact, are forward-looking statements. Examples of forward-looking statements include statements regarding the Companies' future financial results, operating results, business strategies, projected costs, competitive positions, management's plans and objectives for future operations, and industry trends. These forward-looking statements are based on management's estimates, projections and assumptions as of the date hereof and include the assumptions that underlie such statements. Forward-looking statements may contain words such as "may," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," and "continue," the negative of these terms, or other comparable terminology. Any expectations based on these forward-looking statements are subject to risks and uncertainties and other important factors, including those discussed below and in the section titled "Risk Factors." Other risks and uncertainties are disclosed in the Corporation's prior Securities and Exchange Commission ("SEC") filings. These and many other factors could affect the Corporation's future financial condition and operating results and could cause actual results to differ materially from expectations based on forward-looking statements made in this document or elsewhere by the Corporation or on its behalf. The Corporation undertakes no obligation to revise or update any forward-looking statements.

The following information should be read in conjunction with the Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in this Annual Report. All references to fiscal year apply to the Companies' respective fiscal years which end on September 30 of each year.

FORM 10-K TABLE OF CONTENTS AND CROSS-REFERENCE INDEX

Certain information required to be included in this Form 10-K is incorporated by reference to information contained in the Corporation's Annual Report to Shareholders for its fiscal year ending September 30, 2007 filed as an exhibit to this report on Form 10-K (the "2007 Annual Report"). The following cross-reference index shows the page locations in the 2007 Annual Report of that information which is incorporated by reference into this Form 10-K. All other sections of the 2007 Annual Report are not required to be included in this Form 10-K and therefore should not be considered a part hereof.

Part I

Item 1. Business.

General

MACC Private Equities Inc. was formed as a Delaware corporation on March 3, 1994. It has elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). The Corporation has one direct wholly-owned subsidiary, MorAmerica Capital Corporation ("MorAmerica"). As of September 30, 2007, MorAmerica comprised approximately 99% of the Corporation's assets. MorAmerica is an Iowa corporation incorporated in 1959 and which was licensed as a small business investment

company ("SBIC") since that year until the voluntary surrender of its SBIC license in December, 2007. It has also elected treatment as a BDC under the 1940 Act. Neither of the Companies has any employees. All of the Companies' day to day operations are carried out by its officers and the staff of its investment advisor, InvestAmerica Investment Advisors, Inc. ("InvestAmerica" or the "Investment Advisor").

The Corporation's Operation as a BDC

As noted above, both the Corporation and its wholly-owned subsidiary, MorAmerica, have elected treatment as BDCs under the 1940 Act. Under the 1940 Act, a BDC may not acquire any asset other than Qualifying Assets as defined under the 1940 Act, unless, at the time the acquisition is made, Qualifying Assets represent at least 70 percent of the value of the BDC's total assets. The principal categories of Qualifying Assets relevant to the business of the Companies are the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer is an eligible portfolio company. An eligible portfolio company is defined in the 1940 Act as any issuer that:

(a) is organized under the laws of, and has its principal place of business in, the United States;
(b) is not an investment company; and
(c) satisfies one of the following:
(i) it does not have any class of securities with respect to which a broker may extend credit;
(ii) it is controlled by a BDC and such BDC exercises control over the company;
(iii) it has total assets of not more than $4,000,000, and capital and surplus of not less than $2,000,000; or
(iv) it meets other criteria prescribed by the SEC.

The Corporation's investment in all of the issued and outstanding common stock of MorAmerica is also a Qualifying Asset under the 1940 Act.

(2) Cash, cash items, government securities, or high quality debt securities maturing in one year or less from the time of investment.

In addition, a BDC must have been organized (and have its principal place of business) in the United States for the purpose of making investments in the types of securities described in (1) above and, in order to count the securities as Qualifying Assets for the purpose of the 70 percent test, the BDC must make available to the issuers of the securities significant managerial assistance. Making available significant managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers or employees offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company.

Under the 1940 Act, once a company has elected to be regulated as a BDC, it may not change the nature of its business so as to cease to be, or withdraw its election as, a BDC unless authorized by vote of a majority, as

defined in the 1940 Act, of the company's shares. In order to maintain their status as BDCs, the Corporation and MorAmerica each must have at least 50% of their total assets invested in the types of portfolio companies described by Sections 55(a)(1) though 55(a)(3) of the 1940 Act.

MorAmerica's Regulation by the SBA

As an SBIC during fiscal year 2007, MorAmerica was subject to regulation by the SBA. Such regulation includes the regulations promulgated by the SBA (the "SBA Regulations") which, consistent with the SBA's goal of fostering investment in small businesses, limit the extent to which an SBIC's capital may be impaired, impose certain standards upon an SBIC's investment advisor, and limit the type of portfolio company an SBIC may invest in and the nature of such investments. In December, 2007, the SBA approved MorAmerica's voluntary surrender of its SBIC license. As a result, MorAmerica is no longer subject to the SBA Regulations.

Investments and Divestitures

MorAmerica invested $65,000 in a follow-on investment in one existing portfolio company in fiscal year 2007. The Companies' investment-level objectives on a consolidated basis call for follow-on investments of approximately $150,000 during fiscal year 2008, unless the Companies raise additional capital, subject to adjustment based upon current economic and operating conditions.

During fiscal year 2007, the Corporation recorded a net realized gain on investments of $1,351,456.

Item 1A. Risk Factors.

AN INVESTMENT IN THE CORPORATION'S COMMON STOCK IS SUBJECT TO A NUMBER OF RISKS AND SPECIAL CONSIDERATIONS, INCLUDING THE FOLLOWING. YOU SHOULD CAREFULLY CONSIDER THESE RISK FACTORS, TOGETHER WITH ALL OF THE OTHER INFORMATION INCLUDED IN OUR PROSPECTUS, BEFORE YOU DECIDE WHETHER TO MAKE AN INVESTMENT. THE RISKS SET OUT BELOW ARE THE PRINCIPAL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE CORPORATION, AS WELL AS THOSE FACTORS GENERALLY ASSOCIATED WITH AN INVESTMENT IN A COMPANY WITH INVESTMENT OBJECTIVES, INVESTMENT POLICIES, CAPITAL STRUCTURE OR TRADING MARKETS SIMILAR TO THE CORPORATION'S.

RISKS RELATED TO OUR INVESTMENTS

Our investments may be risky, and you could lose all or part of your investment.

The Corporation is designed for long-term investors. Investors should not rely on the Corporation for their short-term financial needs. The value of the higher risk securities in which the Corporation invests will be affected by general economic conditions; the securities market; the markets for public offerings and corporate acquisitions; specific industry conditions; and the management of the individual portfolio companies. Additionally, the Corporation may not achieve its investment objectives.

An investment strategy focused primarily on privately-held companies presents certain challenges, including the lack of available information about these companies, a dependence upon the talents and efforts of only a few key portfolio company personnel and a greater vulnerability to economic downturns.

As a BDC, the Corporation invests a large portion of its assets in restricted securities issued by small, private companies, some of which have operated at losses or have experienced substantial fluctuations in operating results. There is generally little or no publicly available information about such companies and the Corporation must rely on the diligence of its Investment

Advisor to obtain the information necessary for the Corporation's decision to invest in these companies. In order to maintain its status as a BDC, the Corporation must have at least 70 percent of its total assets invested in these types of portfolio companies, as described in Sections 55(a)(1) through 55(a)(3) of the 1940 Act. Typically, such companies depend for their success on the management talents and efforts of one person or a small group of persons, so that the death, disability or resignation of such person or persons could

have a materially adverse impact on them. Moreover, smaller companies frequently have narrower product lines and smaller market shares than larger companies and, therefore, may be more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive research and development, manufacturing, marketing and service capabilities, and a larger number of qualified managerial and technical personnel. Because these companies will generally have highly leveraged capital structures, reduced cash flow resulting from an adverse business development, shifts in customer preferences, or an economic downturn or the inability to complete a public offering or other financing may adversely affect the return on, or the recovery of, the Corporation's investment in them. Investment in such companies therefore involves a high degree of business and financial risk, which can result in substantial losses and, accordingly, should be considered highly speculative. No assurance can be given that some of the Corporation's investments will not result in substantial or complete losses.

The long-term character of our portfolio investments may negatively impact their current return and capital gains.

The Corporation's investments yield a current return for most of their lives, but generally only produce a capital gain, if any, from an accompanying equity feature after five to eight years. Both the current yield and a capital gain must be achieved on most investments in order to meet the Corporation's investment goals. There can be no assurance that either a current return or capital gain will actually be achieved on the Corporation's investments.

Because our portfolio investments are typically privately-issued, there is no market for the securities, and thus their value is decreased.

Most of the investments of the Corporation consist of securities acquired directly from their issuers in private transactions. They are usually subject to restrictions on resale and are generally illiquid. Usually there is no established trading market for such securities into which they could be sold. In addition, most of the securities are not eligible for sale to the public without registration under the Securities Act of 1933, as amended (the "Securities Act"), which would involve delay and expense. Restricted securities generally sell at a price lower than similar securities that are not subject to restrictions on sale.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

If one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might recharacterize our debt holding and subordinate all or a portion of our claim to that of other

creditors. In addition, lenders can be subject to lender liability claims for actions taken by them where they become too involved in the borrower's business or exercise control over the borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken if we actually render significant managerial assistance.

Our portfolio companies may incur debt or issue equity securities that rank equally with, or senior to, our investments in such companies.

Our portfolio companies usually will have, or may be permitted to incur, other debt, or issue other equity securities, that rank equally with, or senior to, the securities in which we invest. By their terms, such instruments may provide that the holders are entitled to receive payment of dividends, interest or principal on or before the dates on which we are entitled to receive payments in respect of the securities in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying the senior security holders, the portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of securities ranking equally with securities in which we invest, we would have to share on an equal basis any distributions with other security holders in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

We will be exposed to risks associated with changes in interest rates.

Generally, when market interest rates rise, the values of debt securities decline, and vice versa. During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing us to reinvest in lower yielding securities. This is known as call or prepayment risk. Lower grade securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem a lower grade obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.

RISKS RELATED TO OUR BUSINESS

Closed-end investment companies' shares usually trade below net asset value.

Shares of closed-end investment companies like the Corporation frequently trade at a discount from net asset value and the Corporation's shares have historically traded at a discount from net asset value. At September 30, 2007, the Corporation's shares traded at a 47% discount to their net asset value. This characteristic of shares of closed-end investment companies is separate and distinct from the risk that the Corporation's per share net asset value will decline. In addition, due to the following reasons, the Corporation is not only different from other closed-end funds, is a greater risk than similar venture capital closed-end funds.

First, many closed-end funds generally are structured to produce annual dividends to shareholders. The Corporation, however, does not

presently pay dividends but, rather, retains all income after taxes and expenses to reduce debt or fund additional investments and thus create capital appreciation. The return to holders of the Corporation's Common Stock is thus anticipated to be long-term and capital in nature. The Corporation's Board of Directors (the "Board") will, however, consider payment of dividends in the future and reserves the right to do so without shareholder approval.

Second, due to several factors, including the small size of the Corporation relative to fixed expenses, and the fact that much of the income of the Corporation arises through capital gains rather than ordinary income, on a consolidated basis, the Corporation has lost money (that is, had net investment expense, rather than new investment income) in each of the last six years. Many similar funds are structured to earn sufficient current income to achieve operating income (investment income in excess of operating expenses) each year.

Many of our portfolio investments will be recorded at fair value as determined in good faith by our Board and, as a result, there will be uncertainty as to the value of our portfolio investments.

Pursuant to the requirements of the 1940 Act, substantially all of the Corporation's portfolio investments are recorded at fair value as determined in good faith by our Board on a quarterly basis, and, as a result, there is uncertainty regarding the value of the Corporation's portfolio investments. At September 30, 2007, approximately 92% of the Corporation's total assets represented investments recorded at fair value. Since there is typically no readily ascertainable market value for the investments in the Corporation's portfolio, our Board determines in good faith the fair value of these investments pursuant to a valuation policy and a consistently applied valuation process.

There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments the Corporation makes. Unlike banks, the Corporation is not permitted to provide a general reserve for anticipated loan losses; the Corporation is instead required by the 1940 Act to specifically value each individual investment and record unrealized depreciation for an investment that the Corporation believes has lost value, including where collection of a debt security or realization of an equity security is doubtful. Conversely, the Corporation records unrealized appreciation if the Corporation has an indication that the underlying portfolio company has appreciated in value and, therefore, our security has also appreciated in value, where appropriate. Without a readily ascertainable market value and because of the inherent uncertainty of valuation, fair value of our investments determined in good faith by the Board may

differ significantly from the values that would have been used had a ready market existed for the investments, and the differences could be material.

We adjust quarterly the valuation of our portfolio to reflect the Board's determination of the fair value of each investment in our portfolio. Any changes in fair value are recorded in our statement of operations as "Net change in unrealized depreciation/appreciation on investments."

We operate in a highly competitive market for investment opportunities.

A large number of entities and individuals compete for the kinds of investments we make. Many of these entities and individuals have greater financial resources than we do. As a result of this competition, we may, from time to time, be precluded from entering into attractive transactions on terms considered by the Investment Adviser to be prudent in light of the risks to be assumed.

We may not be able to elect pass-through tax treatment in the future as planned.

Currently, the Corporation is a taxable entity (a "C corporation") in order to utilize net operating loss carryforwards generated from a predecessor company as well as the Corporation's operating losses. In the future the Corporation may elect to qualify for pass-through tax treatment contained in Subchapter M of the Internal Revenue Code of 1986, as amended ("Code"). Subchapter M treatment essentially means that certain income is taxed at the shareholder level only with no tax at the corporate level, although the Corporation may be subject to a corporate level tax on certain built-in gains in existence at the time the Corporation would first become subject to Subchapter M. It is possible that, for a number of reasons, the Corporation may be unable to meet Subchapter M requirements, or that it may also cease to qualify for pass-through treatment, or be subject to a four percent excise tax, if it fails to make certain distributions. Under the 1940 Act, the Corporation is not permitted to make distributions to shareholders unless it meets certain asset coverage requirements with respect to money borrowed and senior securities issued. Non-availability of pass-through tax treatment may potentially have a materially adverse effect on the total return, if any, obtainable from an investment in the Corporation's shares, once net operating loss carryforwards are no longer available and the Subchapter M election has become advantageous.

We are dependent upon the Investment Advisor's key personnel for our future success.

The Corporation is wholly dependent for the selection, structuring, closing and monitoring of its investments on the diligence and skill of its officers and of its Investment Advisor, subject to supervision by the Board. However, the advisory agreement with InvestAmerica is short-term in nature and is subject to cancellation on sixty days' notice. InvestAmerica's management believes that performance is attributable largely to the abilities and experiences of certain key individuals. The loss to InvestAmerica of these individuals could have a material adverse effect on the Corporation's performance.

Potential significant conflicts of interest may impact our investment returns.

All of our officers also serve in similar capacities with InvestAmerica, and with its affiliates, which include investment advisors to other investment funds. Accordingly, our officers may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of the Corporation or its stockholders or that may require them to devote time to services for such other entities, which could interfere with the time available to provide services to the Corporation. Nonetheless, InvestAmerica is of the opinion that the efforts of its officers relative to the Corporation will be synergistic with and beneficial to the affairs of both the Corporation and InvestAmerica.

As a result of regulatory restrictions, we are not permitted to invest in any portfolio company in which the Investment Advisor or any affiliate currently has an investment. However, under the terms of an exemptive order granted by the SEC, under certain specified circumstances, the Corporation may invest (and make follow on investments) in portfolio companies at the same time and on the same terms as InvestAmerica's affiliates. All such investments are reviewed by the

Corporation's independent directors to assure conformity to the exemptive order.

If we issue senior securities, including debt, we will be exposed to additional risks, including the typical risks associated with leverage.

The Corporation may borrow funds from and issue senior debt securities to banks, insurance companies or other lenders up to the limit permitted by the 1940 Act. Currently, through MorAmerica, the Corporation has borrowed funds from Cedar Rapids Bank & Trust Company (CRB&T) consisting of a term loan in the amount of $6,250,000 and a revolving loan to borrow up to $500,000. Such borrowings cause the Corporation to be leveraged. When such borrowings are incurred, the lenders of these funds will have fixed dollar claims on the Corporation's assets superior to the claims of the Corporation's shareholders. Decreases in the value of the investments below their value at the time of acquisition would cause the Corporation's net asset value to decline more sharply than it would if the funds had not been borrowed. Any decrease in the rate of income would cause net income to decline more sharply than it would had the funds not been borrowed and invested. Leverage is thus generally considered a speculative investment technique. Conversely, however, the ability of the Corporation to achieve its investment objectives may depend in part on its ability to acquire leverage on favorable terms by borrowing through banks or insurance companies, and there can be no assurance that such leverage can in fact be acquired.

As of September 30, 2007, the Corporation, on a consolidated basis through its wholly-owned subsidiary MorAmerica, had outstanding $6,108,373 on the term loan from CRB&T. The Corporation is currently using proceeds of portfolio liquidity events to pay down this loan. The Corporation has not made any drawings under the revolving loan with CRB&T, but may do so during fiscal year 2008 for working capital purposes, including making follow-on investments in its portfolio companies, as further described below.

When we are a debt or minority equity investor in a portfolio company, we may not be in a position to control that portfolio company.

When we make minority equity investments or invest in debt, we will be subject to the risk that a portfolio company may make business decisions with which we may disagree, and that the stockholders and management of such company may take risks or otherwise act in ways that do not serve our interests. As a result, a portfolio company may make decisions that could decrease the value of our investments.

To protect or maintain our existing portfolio investments, we may need to increase our investments in existing portfolio companies.

Following our initial investment, we may make additional debt and equity investments in portfolio companies ("follow-on investments") in order to increase our investment in a successful portfolio company, to exercise securities that were acquired in the original financing, to preserve our proportionate ownership when a subsequent financing is planned or to protect our initial investment when such portfolio company's performance does not meet expectations.

We may not have the funds to make additional investments in our portfolio companies.

There is no assurance that we will make, or will have sufficient funds to make, follow-on investments. Additionally, we are subject to limitations relating to our BDC status which may limit our ability to make additional investments in portfolio companies. Any decisions not to make a follow-on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation, or may reduce the expected yield on the investment.

Changes in the law or regulations that govern us could have a material impact on us or our operations.

We are regulated by the SEC. In addition, changes in the laws or regulations that govern BDCs and registered investment companies may significantly affect our business. Any change in the law or regulations that govern our business could have a material impact on us or our operations. Laws and regulations may be changed from time to time, and the interpretations of the relevant laws and regulations also are subject to change, which may have a material effect on our operations.

Results may fluctuate and may not be indicative of future performance.

Our operating results may fluctuate and, therefore, you should not rely on current or historical period results to be indicative of our performance in future reporting periods. Factors that could cause operating results to fluctuate include, but are not limited to, variations in the investment origination volume and fee income earned, variation in timing of prepayments, variations in and the timing of the recognition of net realized gains or losses and changes in unrealized appreciation or depreciation, the level of our expenses, the degree to which we encounter competition in our markets, and general economic conditions.

Our Common Stock price may be volatile.

The trading price of our Common Stock may fluctuate substantially. The price of the Common Stock may be higher or lower than the price you pay for your shares, depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of securities of BDCs or other financial services companies;
- changes in laws or regulatory policies or tax guidelines with respect to BDCs or regulated investment companies;
- actual or anticipated changes in our earnings or fluctuations in our operating results or changes in the expectations of securities analysts;
- risks associated with possible disruption in our operations due to terrorism;

general economic conditions and trends;

loss of a major funding source;

departures of key personnel; or

other risks and uncertainties as may be detailed from time to time in our public announcements and SEC filings.

Item 2. Properties.

The Corporation does not own or lease any properties or other tangible assets. Its business premises and equipment are furnished by InvestAmerica. The Investment Advisor is compensated for its provision of the business premises and equipment to the Companies through the management fees paid by the Companies to the Investment Advisor.

Item 3. Legal Proceedings.

There are no items to report.

Item 4. Submission of Matters to a Vote of Security Holders.

There are no items to report.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Information in response to this Item is incorporated by reference to the "Shareholder Information" section of the 2007 Annual Report.

Item 6. Selected Financial Data.

Information in response to this Item is incorporated by reference to the "Selected Financial Data" section of the 2007 Annual Report.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Information in response to this Item is incorporated by reference to the "Management's Discussion and Analysis" section of the 2007 Annual Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Information in response to this Item is incorporated by reference to the "Quantitative and Qualitative Disclosures About Market Risk" section of the 2007 Annual Report.

Item 8. Financial Statements and Supplementary Data.

Information in response to this Item is incorporated by reference to the Consolidated Financial Statements, notes thereto and report thereon contained in the 2007 Annual Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There are no items to report.

Item 9A. Controls and Procedures.

In accordance with Item 307 of Regulation S-K promulgated under the Securities Act, the Chief Executive Officer and Chief Financial Officer of the Corporation (the "Certifying Officers") have conducted evaluations of the Corporation's disclosure controls and procedures. As defined under Sections 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the term "disclosure controls and procedures" means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Certifying Officers have reviewed the Corporation's disclosure controls and procedures and have concluded that those disclosure controls and procedures are effective as of the date of this Annual Report on Form 10-K. In compliance with Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), each of the Certifying Officers executed an Officer's Certification included in this Annual Report on Form 10-K.

As of the date of this Annual Report on Form 10-K, there have not been any significant changes in the Corporation's internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Item 9B. Other Information.

There are no items to report.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Directors

Name	Position(s) Held with	Term of Office and

and Age	the Corporation	Length of Time Served	Principal Occupation(s) During Past 5 Years
Benjamin Jiaravanon, 37	Director	Since February, 2004	President and CEO, Central Proteina Prima (manufacturer of animal, poultry and fish feeds), since 2004; President, Strategic Planning Group, Charoen Pokphand Indonesia (agribusiness conglomerate), 2002 - 2004; Associate, Direct Investments Group, Merrill Lynch, 1996 - 2002. Mr. Jiaravanon received his Bachelor of Science degree in industrial management from Carnegie Mellon University.
Geoffrey T. Woolley, 48	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; Advisor: 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.
Gordon J. Roth, 53	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.
Jasja Kotterman, 38	Director	Since February, 2004	Executive Director of Corporate Strategy and Business Development, Avon Products, 2004-present; Vice President, Strategic Planning and Business Development for Primedia Inc. (diversified media company), 2003-2004; Managing Director, Primedia International (the international development group for Primedia), 2000-2003. Ms. Kotterman holds an M.B.A. from the Wharton

Name and Age	Position(s) Held with the Corporation	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
			School, an M.A. in International Studies from the University of Pennsylvania, and is a graduate of Cambridge University in England, where she received an M.A. in Genetics and an M.Phil. in International

			Development.
Michael W. Dunn, 58	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.

(1) "Other Directorships" indicate other U.S. publicly-traded companies (companies with a class of securities registered pursuant to section 12 of the Securities Exchange Act of 1934 (the "Exchange Act") or subject to the requirements of section 15(d) of such Act or any company registered as an investment company under the 1940 Act).

Executive Officers

As affiliated persons of InvestAmerica, the officers of the Corporation listed in the chart below 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 101 Second Street SE, Suite 800, Cedar Rapids, Iowa 52401.

The Corporation's officers listed below also serve in similar capacities with MorAmerica and serve in various capacities with the following companies which are under common control with or are affiliated with InvestAmerica: InvestAmerica Venture Group, Inc. (provides management and investment services to a private investment partnership, the Iowa Venture Capital Fund, L.P.); InvestAmerica N.D. Management, Inc. (provides management and investment services to NDSBIC, L.P., a Small Business Investment Company ("SBIC")); InvestAmerica ND, L.L.C. (general partner of NDSBIC, L.P.); InvestAmerica L&C Management, Inc. (provides management and investment services to Lewis & Clark Private Equities, L.P., an SBIC ("Lewis")); InvestAmerica L&C, LLC (general partner of Lewis); InvestAmerica NW Management, Inc. (provides management and investment services to Invest Northwest, L.P. ("NWLP") (private venture capital fund); and InvestAmerica NW, LLC (general partner of NWLP).

As representatives of InvestAmerica and its affiliates, the Corporation's officers listed below also serve on the boards of directors of several of the Corporation's portfolio companies and the portfolio companies of other managed funds.

Name and Age	**Position(s) Held with the Corporation**	**Term of Office and Length of Time Served**	**Principal Occupation(s) During Past 5 Years**
David R. Schroder, 64	President and Secretary	Since April, 2005	Chief Compliance Officer and Treasurer of the 2004-April, 2005; President, Secretary and Corporation, 1994-2004. Mr. Schroder also s Assistant Secretary and Director of InvestAme B.S.F.S. from Georgetown University and a University of Wisconsin.
Robert A. Comey, 60	Chief Financial	Since April, 2005	Chief Financial Officer, Executive Vice Preside Director of the Corporation, 1994-2004; Direc

Term of

Name and Age	Position(s) Held with the Corporation	Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
	Officer, Executive Vice President, Chief Compliance Officer, Treasurer and Assistant Secretary		1989-2004; Executive Vice President and Ass MorAmerica, 1994-2004; Treasurer of MorAmerica Mr. Comey has been the Executive Vice Pre Assistant Secretary and a Director of InvestAme received an A.B. in Economics from Brown Unive from Fordham University.
Kevin F. Mullane, 52	Senior Vice President	Since April, 2005	Vice President of the Corporation, 1994-1999; MorAmerica, 1994-1998; Senior Vice President 2000-2004; Senior Vice President of MorAmeri Mullane is a Senior Vice President, Assista Director of InvestAmerica. He received an M. Business Administration, Emphasis in Accounti Jesuit University.
Michael H. Reynoldson41	Vice President	Since April, 2005	Vice President of MorAmerica since 2002. Mr. President of InvestAmerica. He received a University of Iowa and a B.A. in Business Washington State University.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Exchange Act, officers and directors of the Corporation and persons beneficially owning 10% or more of the Corporation's Common Stock (collectively, "reporting persons") must file reports on Forms 3, 4 and 5 regarding changes in their holdings of the Corporation's equity securities with the Securities and Exchange Commission ("SEC"). Based solely upon a review of copies of these reports sent to the Secretary of the Corporation and/or written representations from reporting persons that no Form 5 was required to be filed with respect to Fiscal Year 2007, the Corporation believes that all Forms 3, 4, and 5 required to be filed by all reporting persons have been properly and timely filed with the SEC.

Code of Ethics

The Corporation has adopted a Code of Business Conduct and Ethics that applies to all of the Corporation's officers, directors and employees. The Corporation's Code of Business Conduct and Ethics, as amended by the Board of Directors on October 5, 2004, is filed as an exhibit to this Annual Report on Form 10-K.

If the Corporation makes any substantive amendments to the Code of Business Conduct and Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Business Conduct and Ethics to its principal executive or principal financial officer, the Corporation will disclose the nature of such amendment or waiver in a report on Form 8-K. A copy of the Code of Business Conduct and Ethics will be mailed to persons without charge upon written request to Secretary, MACC Private Equities Inc., 101 Second Street, S.E., Suite 800, Cedar Rapids, Iowa 52401 or by calling (319) 363-8249.

Audit Committee

The Corporation has a separately-designated standing audit committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The Audit Committee makes recommendations to the Board of Directors regarding the engagement of the independent auditors for audit and non-audit services; evaluates the independence of the auditors and reviews with the independent auditors the fee, scope and timing of audit and non-audit services. The Audit Committee also is charged with monitoring the Corporation's Policy Against Insider Trading and Prohibited Transactions and its Code of Conduct. The Audit Committee presently consists of Michael W. Dunn (Chair), Jasja Kotterman and Gordon J. Roth. Each member of the Audit Committee is considered "independent" under applicable NASDAQ listing standards. The Board of Directors has determined that Gordon J. Roth is an Audit Committee financial expert.

Item 11. Executive Compensation.

Compensation Discussion and Analysis

The Corporation has no employees and does not pay any compensation to any of its officers. The Corporation has not compensated its executive officers in any of the last three fiscal years. The Corporation does not provide any of bonus, stock options, stock appreciation rights, non-equity incentive plans, non-qualified deferred compensation or pension benefits to its executive officers. Further, the Corporation has no agreements with any officer pertaining to change in control payments. All of the Corporation's officers and staff are employed by InvestAmerica Investment Advisors, Inc., which pays all of their cash compensation.

Compensation Committee Interlocks and Insider Participation

The Corporation does not have a separate compensation committee utilized to determine the appropriate compensation payable to the Corporation's executive officers and Directors due to the size of the Corporation. The Corporate Governance/Nominating Committee, however, is responsible for, among other things, annually reviewing and approving the Corporation's compensation policies for Directors. The members of the Corporate Governance/Nominating Committee for Fiscal Year 2007 were Jasja Kotterman (Chair), Gordon Roth and Michael Dunn. All members of the Corporate Governance/Nominating Committee are considered "independent" under applicable NASDAQ listing standards. No members of the Committee have ever served as officers or employees of the Corporation. No executive officers of the Corporation served, during Fiscal Year 2007: (i) on a compensation committee of another entity which had an executive officer serving on the Corporate Governance/Nominating Committee; (ii) as a director of another entity which had an executive officer serving on the Corporate Governance/Nominating Committee; or (iii) as a member of a compensation committee of another entity which had an executive officer who served as a Director of the Corporation.

Compensation Committee Report

The Corporate Governance/Nominating Committee has not reviewed or discussed with the Corporation's management the Compensation Discussion and Analysis set forth above because the Corporation's standing policy is to not compensate executive officers. The Corporate Governance/Nominating Committee did recommend to the Board of Directors that the Compensation Discussion and Analysis be included in this report on Form 10-K.

CORPORATE GOVERNANCE /
NOMINATING COMMITTEE:
Jasja Kotterman, Chair

Gordon J. Roth
Michael W. Dunn

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Common Stock Ownership

As of November 30, 2007, there were 2,464,621 shares of Common Stock issued and outstanding. The following table sets forth certain information as of November 30, 2007, 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 Exchange Act who beneficially own more than 5% of the Common Stock, (ii) each Director of the Corporation, and (iii) all Officers and Directors of the Corporation, nine in number, as a group. Unless otherwise provided, the address of those in the following table is 101 Second Street S.E., Suite 800, Cedar Rapids IA 52401.

Name and Address of Beneficial Owner	Amount and Nature Of Beneficial Ownership	Percent of Voting Com
Atlas Management Partners, LLC(1) One South Main Street, Suite 1660, Salt Lake City, Utah 84133	804,689 Shares	32.
Bridgewater International Group, LLC(1) 10500 South 1300 West, South Jordan, Utah 84095	804,689 Shares	32.
Timothy A. Bridgewater(1) 10500 South 1300 West South Jordan, Utah 84095	809,689 Shares	32.
Jasja Kotterman	1,000 Shares	0.0
Michael W. Dunn	46,584 Shares	1.8
Benjamin Jiaravanon(2) Ancol Barat, J1 Ancol VIII, No.1 Jakarta 14430 Indonesia	804,689 Shares	32.
Gordon J. Roth	5,151 Shares	0.2
David R. Schroder(3)	77,416 Shares	3.1

Kevin F. Mullane(3)	11,264 Shares	0.4
Robert A. Comey(3)	57,019 Shares	2.3
Michael Reynoldson(4)	0 Shares	-
Geoffrey T. Woolley	151,314 Shares	6.1
All Officers and Directors as a Group	1,154,437 Shares	46.

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(1) Information with respect to Atlas Management Partners, LLC ("Atlas"), Bridgewater International Group, LLC ("BIG") 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 that 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, the former managers of Atlas, including Geoffrey Woolley and Kent Madsen, no longer have any interests in Atlas and have no voting rights respecting the BIG Shares.

As a 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 also individually owns 5,000 shares of Common Stock.

(2) Information with respect to Mr. Jiaravanon is based upon the Atlas Group 13D. As the sole manager 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. To the extent that BIG may be deemed to be in control of the Corporation as a result of beneficial ownership of the Company's Common Stock, Mr. Jiaravanon, as the sole manager of BIG, may be an "interested person" of the Company, as that term is defined in Section 2(a)(19) of the 1940 Act.

(3) As principals, officers and directors of InvestAmerica, the investment advisor for the Companies, and as officers of the Companies, Messrs. Schroder, Mullane and Comey are "interested persons" of the Corporation, as that term is defined in Section 2(a)(19) of the 1940 Act.

(4) As an officer of the Companies, and as an officer or director of several companies affiliated with InvestAmerica, Mr. Reynoldson is an "interested person" of the Corporation, as that term is defined in Section 2(a)(19) of the 1940 Act.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Investment Adviser & Certain Business Relationships

InvestAmerica is the investment advisor to the Corporation pursuant to an Investment Advisory Agreement between the Corporation and InvestAmerica dated July 21, 2005, which was approved by the Corporation's shareholders at its 2005 Annual Shareholders Meeting held on July 19, 2005 (the "MACC Advisory Agreement"). The address of InvestAmerica is 101 Second Street S.E., Suite 800, Cedar Rapids IA 52401.

The MACC Advisory Agreement provides that InvestAmerica is entitled to receive a management fee equal to an annual rate of 1.5% of the Assets Under Management (as defined in the MACC Advisory Agreement), payable monthly in arrears. In addition to the annual management fee of 1.5% of the Assets Under Management, InvestAmerica is entitled to receive an incentive fee (the "MACC Incentive fee") in an amount equal to 13.4% of the Corporation's realized capital gains in excess of realized capital losses of the Corporation after allowance for any unrealized capital losses on the portfolio investments of the Corporation. The MACC Incentive fee is calculated, accrued, and paid on a quarterly basis, subject to adjustment at the end of each fiscal year. Total management fees under the MACC Advisory Agreement amounted to $735 for the year ended September 30, 2007. There were no MACC Incentive Fees accrued or paid under the MACC Advisory Agreement in fiscal year 2007.

MorAmerica has a separate investment advisory agreement (the "MorAmerica Advisory Agreement") with InvestAmerica dated July 21, 2005. MorAmerica pays InvestAmerica, monthly in arrears, a management fee equal to the lesser of 1.5% per annum of the (i) Combined Capital (as defined under regulations promulgated by the

United States Small Business Administration) or (ii) Assets Under Management (as defined in the MorAmerica Advisory Agreement). These fees are not based upon any of the Corporation's assets managed by InvestAmerica under the MACC Advisory Agreement. In addition, the MorAmerica Advisory Agreement provides that MorAmerica will pay InvestAmerica an incentive fee in an amount equal to 13.4% of the net capital gains, before taxes (the "MorAmerica Incentive Fee"). Net capital gains, as defined in the MorAmerica Advisory Agreement, are calculated as gross realized gains, minus the sum of capital losses, less any unrealized depreciation, including reversals of previously recorded unrealized depreciation, recorded during the year, and net investment losses, if any. Capital losses and realized capital gains are not cumulative under the computation of the MorAmerica Incentive Fee. Payments for MorAmerica Incentive Fee resulting from noncash gains are deferred until the assets are sold. Total management fees (net of management fees waived) under the MorAmerica Advisory Agreement amounted to $330,890 for the year ended September 30, 2007. The MorAmerica Incentive Fee earned and paid for the year ended September 30, 2007 amounted to $143,732 and $0, respectively. Included in the MorAmerica Incentive

Fee earned of $143,732 are approximately $27,617 of MorAmerica Incentive Fees related to noncash gains which are being deferred.

Mr. David Schroder, President and Secretary of the Corporation and MorAmerica, is a shareholder of, Director, President and Secretary of InvestAmerica. Mr. Robert A. Comey, Executive Vice President, Chief Financial Officer, Treasurer, Chief Compliance Officer and Assistant Secretary of the Corporation and of MorAmerica, is a Director of and the Executive Vice President, Treasurer and Assistant Secretary of InvestAmerica. Mr. Kevin Mullane, Senior Vice President of the Corporation and MorAmerica, is a shareholder and Director of, and the Senior Vice President and Assistant Secretary of InvestAmerica. Mr. Michael H. Reynoldson, Vice President of the Corporation and MorAmerica, is an officer or director of several companies affiliated with InvestAmerica.

Independent Directors

The following Directors of the Corporation meet the definition of "independent director" provided in the independence standards applicable to companies listed on the Nasdaq Capital Market (the "Independence Standards"):

Michael W. Dunn
Jasja Kotterman
Gordon J. Roth
Geoffrey T. Woolley

All Directors who are voting members of committees of the Board meet the definition of "independent director" under the Independence Standards applicable to such committees.

In identifying Mr. Woolley as independent under the Independence Standards, the Board considered the fact that Mr. Woolley was a Voting Managing Director of Atlas Management Partners, LLC ("Atlas") from March, 2004 until April 2005. Atlas served as the investment adviser to the Corporation and to MorAmerica from March 1, 2004 through April 29, 2005. As of April 28, 2005, Mr. Woolley no longer holds any interests in Atlas. The Board also considered the fact that, as previously reported, Mr. Woolley entered into an Amended and Restated Convertible Note and Security Agreement with the Corporation on July 20, 2005, which amended and restated the terms of the loan made by Mr. Woolley to the Corporation on March 1, 2004. Under the July 20, 2005 amendment, Mr. Woolley subsequently elected to convert all debt owed by the Corporation to Mr. Woolley into 135,366 shares of the Corporation's Common Stock.

Item 14. Principal Accounting Fees and Services.

The following table presents fees paid for professional services rendered by KPMG LLP ("KPMG"), the Corporation's independent auditors, for fiscal Year 2007 and for the fiscal year ending September 30, 2006:

Fee Category	Fiscal Year 2007 Fees	Fisca
Audit Fees	$71,225	

Audit-Related Fees	-0-
Tax Fees	$22,700
All Other Fees	-0-
Total Fees	$93,925

Audit Fees were for professional services rendered for the audit of the Corporation's consolidated financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided by KPMG in connection with statutory and regulatory filings or engagements and include quarterly reviews, security counts and audit of SBA Form 468.

Audit-Related Fees were for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's consolidated financial statements and are not reported under "Audit Fees." These services include accounting consultations in connection with acquisitions, consultations concerning financial accounting and reporting standards.

Tax Fees were for professional services for federal, state and international tax compliance, tax advice and tax planning and include preparation of federal and state income tax returns, and other tax research, consultation, correspondence and advice.

All Other Fees are for services other than the services reported above. The Corporation did not pay any fees for such other services in fiscal year 2007 or fiscal year 2006.

The Audit Committee has concluded the provision of the non-audit services listed above is compatible with maintaining the independence of KPMG. KPMG did not bill the Corporation's investment advisor, InvestAmerica, for any non-audit services in either fiscal year 2007 or fiscal year 2006.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent auditors and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) Documents filed as part of this Report:

(1) A. The following financial statements are incorporated by reference to the 2007 Annual Report.
Consolidated Balance Sheet at September 30, 2007
Consolidated Statement of Operations for the year ended September 30, 2007
Consolidated Statements of Changes in Net Assets for the years ended September 30, 2007 and September 30, 2006
Consolidated Statement of Cash Flows for the year ended September 30, 2007
Notes to Consolidated Financial Statements
Consolidated Schedule of Investments as of September 30, 2007
Notes to the Consolidated Schedule of Investments

B. The Report of the Registered Independent Public Accounting Firm with respect to the financial statements listed in A. above is incorporated by reference to the 2007 Annual Report.

(2) No financial statement schedules of the Corporation are filed herewith because (i) such schedules are not required or (ii) the information required has been presented in the aforementioned financial statements and schedule of investments.

(3) The following exhibits are filed herewith or incorporated by reference as set forth below:

3(i).1(1)	Certificate of Incorporation of the Corporation.
3(i).2(2)	Articles of Amendment to the Certificate of Incorporation of the Corporation.
3(ii)	Amended and Restated By-Laws of the Corporation.
4	See Exhibits 3(i).1 and 3(i).2.
10.1(3)	Investment Advisory Agreement between MACC Private Equities Inc. and InvestAmerica Investment Advisors, Inc. dated July 21, 2005.
10.2(3)	Investment Advisory Agreement between MorAmerica Capital Corporation and InvestAmerica Investment Advisors, Inc. dated July 21, 2005.
10.3(4)	Business Loan Agreement dated August 30, 2007 between MorAmerica Capital Corporation and Cedar Rapids Bank and Trust Company.
10.4(4)	Commercial Guaranty given by MACC Private Equities Inc. in favor of Cedar Rapids Bank and Trust Company.
10.5(4)	Commercial Pledge and Security Agreement dated August 30, 2007 between MorAmerica Capital Corporation and Cedar Rapids Bank and Trust Company.

10.6(4)	Commercial Security Agreement dated August 30, 2007 between MorAmerica Capital Corporation and Cedar Rapids Bank and Trust Company.
10.7(4)	Promissory Note in the amount of $500,000 dated August 30, 2007 made by MorAmerica Capital Corporation in favor of Cedar Rapids Bank and Trust Company.
10.8(4)	Promissory Note in the amount of $6,250,000 dated August 30, 2007 made by MorAmerica Capital Corporation in favor of Cedar Rapids Bank and Trust Company.
10.9(4)	Letter Agreement dated August 30, 2007 made by MorAmerica Capital Corporation in favor of Cedar Rapids Bank and Trust Company.

10.10(4)	Safekeeping Agreement dated September 1, 2007 between MACC Private Equities Inc., MorAmerica Capital Corporation and Cedar Rapids Bank and Trust Company.
13	2007 Annual Report to Stockholders.
14(5)	Code of Business Conduct and Ethics
21(6)	Subsidiary of the Corporation and jurisdiction of incorporation.
31.1	Section 302 Certification of David R. Schroder (President).
31.2	Section 302 Certification of Robert A. Comey (CFO).
32.1	Section 906 Certification of David R. Schroder (President).
32.2	Section 906 Certification of Robert A. Comey (CFO).

(1) Incorporated by reference to the Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1997, as filed with the SEC on May 14, 1997.

(2) Incorporated by reference to the Corporation's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005, as filed with the SEC on August 15, 2005.

(3) Incorporated by reference to the Corporation's Current Report on Form 8-K as filed with the SEC on

July 21, 2005.

(4) Incorporated by reference to the Corporation's Current Report on Form 8-K as filed with the SEC on September 6, 2007.

(5) Incorporated by reference to the Corporation's Annual Report on Form 10-K for the period ended September 30, 2006, as filed with the SEC on December 28, 2006.

(6) Incorporated by reference to the Corporation's Annual Report on Form 10-K for the period ended September 30, 2003, as filed with the SEC on December 29, 2003.

(b) Exhibits

See (a)(3) above.

(c) Financial Statement Schedules

See (a)(1) and (a)(2) above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on December 28, 2007.

/s/ David R. Schroder

David R. Schroder
President and Secretary

/s/ Robert A. Comey

Robert A. Comey
Chief Financial Officer and Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature **Date**

/s/ Geoffrey T. Woolley
---------- December 28, 2007
Geoffrey T. Woolley, Chairman of the Board

/s/ Michael W. Dunn
---------- December 28, 2007
Michael W. Dunn, Director

/s/ Benjamin Jiaravanon
---------- December 28, 2007
Benjamin Jiaravanon, Director

/s/ Jasja Kotterman
---------- December 28, 2007
Jasja Kotterman, Director

/s/ Gordon J. Roth
---------- December 28, 2007
Gordon J. Roth, Director

Exhibit 3(ii)

SECOND AMENDED AND RESTATED BYLAWS
OF
MACC PRIVATE EQUITIES INC.

ARTICLE I
STOCKHOLDERS

Section 1. Annual Meeting. An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held on the fourth Tuesday of February commencing with the year 1996.

Section 2. Special Meetings. Special meetings of the stockholders, for any purpose or purposes prescribed in the notice of the meeting, may be called by the Board of Directors or the Chairman of the Board or by vote of forty percent (40%) of the issued and outstanding Common Stock of the Corporation. In addition, special meetings shall be held at such place, on such date and at such time as they or he or she shall fix.

Section 3. Notice of Meetings. Written notice of the place, date and time of all meetings of the stockholders, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given, not less than ten (10) nor more than sixty (60) days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the Delaware General Corporation Law or the Certificate of Incorporation of the Corporation).

When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record

date is fixed for the adjourned meeting, written notice of the place, date and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 4. Quorum. At any meeting of the stockholders, the holders of a majority of all of the shares of the stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number may be required by law. Where a separate vote by a class or classes is required, a majority of the shares of such class or classes present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date or time. If a notice of any adjourned special meeting

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of stockholders is sent to all stockholders entitled to vote thereat, stating that it will be held with those present constituting a quorum, then except as otherwise required by law, those present at such adjourned meeting shall constitute a quorum, and all matters shall be determined by a majority of the votes cast at such meeting.

Section 5. Organization. The Chairman of the Board, or such other person as the Board of Directors may have designated or, in the absence of the Chairman and such other person, the chief executive officer of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of the meeting. In the absence of the Secretary of the Corporation, the secretary of the meeting shall be such person as the chairman appoints.

Section 6. Conduct of Business. The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him or her in order.

The date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors of the Corporation may adopt by resolution such rules and regulations for the conduct of the meeting of shareholders as it shall deem appropriate. Except to the extent not inconsistent with any such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of shareholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to shareholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and

(v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of shareholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 7. Proxies and Voting. At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing filed in accordance with the procedure established for the meeting.

Each stockholder shall have one (1) vote for every share of stock entitled to vote which is registered in his or her name on the record date for the meeting, except as otherwise provided herein or required by law.

All voting, including the election of directors but excepting where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or by his or her proxy, a stock vote shall be taken. Every stock vote shall be taken

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by ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. Every vote taken by ballots shall be counted by an inspector or inspectors appointed by the chairman of the meeting.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast.

Section 8. Stock List. A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his or her name, shall be open to the examination of any such stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held.

The stock list shall also be kept at the place of the meeting during the whole time thereof and shall be open to the examination of any such stockholder who is present. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

Section 9. No Consent of Stockholders in Lieu of Meeting. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders, and may not be effected by written consent of the stockholders.

Section 10. Notice of Nominations and Other Business at Annual Meetings.

(a) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (1) pursuant

to the Corporation's notice of meeting, (2) by or at the direction of the Board of Directors or (3) by any stockholder of record at the time of giving of the notice by the stockholders provided for in this Section, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (3) of paragraph (a) of this Section, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the Secretary not less than sixty (60) days nor more than ninety (90) days prior to the date on which the Corporation first mailed its proxy materials for the prior year's annual meeting; provided, however, that in the event that the date of the annual meeting has changed more than thirty (30) days from the prior year, notice by the stockholder to be timely must be so delivered a reasonable time before the date on which the Corporation first mails its proxy materials with respect to the annual meeting at which such proposal is to be made. Such stockholder's notice shall set forth (1) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors,

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or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (2) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on which behalf the proposal is made; and (3) as to the stockholder giving the notice and the beneficial owner, if any, on which behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and beneficial owner.

(c) Notwithstanding anything in the second sentence of paragraph (b) of this Section to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least seventy (70) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices for the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(d) Only such persons who are nominated in accordance with the procedures set forth in this Section shall be eligible to serve as directors and only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance

with the procedures set forth in this Section. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposed business or nomination shall be disregarded.

(e) For the purposes of this Section, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15 (d) of the Exchange Act.

(f) Notwithstanding the foregoing provisions of this Section, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section. Nothing in this Section shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE II
BOARD OF DIRECTORS

Section 1. Number and Term of Office. The number of directors of the Corporation to constitute the Board of Directors shall be nine (9). Each director shall hold office until such director's successor has been elected and has qualified, or until such director's death, retirement, disqualification, resignation or removal. The Board of Directors shall be and is divided into three (3) classes, designated Class I, Class II and Class III. Class I directors shall consist of three (3) directors who shall hold office until the annual meeting of the stockholders in 1996. Class II directors shall consist of three (3) directors who shall hold office until the annual meeting of stockholders in 1997. Class III directors shall consist of three (3) directors who shall hold office until the annual meeting of stockholders in 1998. Upon expiration of the terms of the office of directors as classified above, their successors shall be elected for the term of three (3) years each. Commencing with the annual meeting in 2003, all directors whose terms expire at such annual meeting and each annual meeting thereafter shall be elected for one (1) year terms. Each director shall hold office until the annual meeting of the stockholders for year in which his term expires and until his or her successor shall be elected and qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Section 2. Vacancies. If the office of any director becomes vacant by reason of death, resignation, disqualification, removal or other cause, a majority of the directors remaining in office, although less than a quorum, may elect a successor for the unexpired term and until his or her successor is elected and qualified.

Section 3. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

Section 4. Special Meetings. Special meetings of the Board of Directors may

be called by one-third (1/3) of the directors then in office (rounded up to the nearest whole number) or by the chairman and shall be held at such place, on such date and at such time as they or he or she shall fix. Notice of the place, date and time of each such special meeting shall be given each director by whom it is not waived by mailing written notice not less than five (5) days before the meeting or by telegraphing or telexing or by facsimile transmission of the same not less than twenty-four (24) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 5. Quorum. At any meeting of the Board of Directors, a majority of the total number of the whole Board shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date or time, without further notice or waiver thereof.

Section 6. Participation in Meetings by Conference Telephone. Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall

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constitute presence in person at such meeting. However, this Section 6 and the means of holding Board meetings authorized hereunder shall not apply to Board meetings required to be held in person by the Investment Company Act of 1940, as amended.

Section 7. Conduct of Business. At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, except as otherwise provided herein or required by law. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors. However, the Board shall not take action by consent and without a meeting if the provisions of the Investment Company Act of 1940, as amended, would otherwise require the meeting to be held in person.

Section 8. Powers. The Board of Directors may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, including, without limiting the generality of the foregoing, the unqualified power:

(a) To declare dividends from time to time in accordance with law;

(b) To purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;

(c) To authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, and to do all things necessary in connection therewith;

(d) To remove any officer of the Corporation with or without cause, and from time to time to devolve the powers and duties of any officer upon any other person for the time being;

(e) To confer upon any officer of the Corporation the power to appoint, remove and suspend subordinate officers, employees and agents;

(f) To adopt from time to time such stock, option, stock purchase, bonus or other compensation plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine;

(g) To adopt from time to time such insurance, retirement and other benefit plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine; and

(h) To adopt from time to time regulations, not inconsistent with these Bylaws, for the management of the Corporation's business and affairs.

Section 9. Compensation of Directors. Directors, as such, may receive, pursuant to resolution of the Board of Directors, fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the Board of Directors.

ARTICLE III
COMMITTEES

Section 1. Committees of the Board of Directors. The Board of Directors, by a vote of a majority of the whole Board, may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desire, other directors as alternate members who may replace any absent or disqualified member at any meeting of the committee. Any committee so designated may exercise the power and authority of the Board of Directors to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware General Corporation Law if the resolution which designates the committee or a supplemental resolution of the Board of Directors shall so provide. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Section 2. Conduct of Business. Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; a majority of the members shall constitute a quorum unless the committee shall consist of one (1) or two (2) members, in which event one (1) member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of such committee.

ARTICLE IV
OFFICERS

Section 1. Generally. The officers of the corporation shall consist of a Chairman of the Board, a President, an Executive Vice President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as may from time to time be appointed by the Board of Directors. Officers shall be elected by the Board of Directors, which shall consider that subject at its first meeting after every annual meeting of stockholders. Each officer shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any number of offices may be held by the same person.

Section 2. President. The President shall be the chief executive officer of the Corporation. Subject to the provisions of these Bylaws and to the direction of the Board of Directors, he or she shall have the responsibility for the general management and control of the business and affairs of the Corporation and shall perform all duties and have all powers which are commonly incident to the office of chief executive or which are delegated to him or her by the Board of Directors. He or she shall have power to sign all stock certificates, contracts and

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other instruments of the Corporation which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation.

Section 3. Vice President. Each Vice President shall have such powers and duties as may be delegated to him or her by the Board of Directors. One (1) Vice President shall be designated by the Board to perform the duties and exercise the powers of the President in the event of the President's absence or disability, provided that if there shall be only one Vice President, that Vice President shall perform the duties and exercise the powers of the President in the event of the President's absence or disability.

Section 4. Treasurer. The Treasurer shall have the responsibility for maintaining the financial records of the Corporation. He or she shall make disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Corporation. The Treasurer shall also perform such other duties as the Board of Directors may from time to time prescribe.

Section 5. Secretary. The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board of Directors. He or she shall have charge of the corporate books and shall perform such other duties as the Board of Directors may from time to time prescribe.

Section 6. Designation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

Section 7. Removal. Any officer of the Corporation may be removed at any time, with or without cause, by the Board of Directors.

Section 8. Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board of Directors, the President or an officer of the Corporation authorized by the President shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to

exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE V
STOCK

Section 1. Stock.

(a) The shares of the Corporation may be represented by certificates signed by, or in the name of the Corporation by, the President or a Vice President, and by the Secretary or Assistant Secretary, or the Treasurer or an Assistant Treasurer, certifying the number of shares owned by him or her. Any or all of the signatures on the certificate may be by facsimile.

(b) Notwithstanding the foregoing, the Corporation may issue shares of stock in the form of uncertificated shares. Such uncertificated shares of stock shall be credited to a book entry account maintained by the Corporation (or its designee) on behalf of the stockholder.

(c) Notwithstanding the foregoing, the shares of stock of the Corporation shall be eligible for a Direct Registration Program operated by a clearing agency registered under Section 17A of the Securities Exchange Act of 1934, as amended.

Section 2. Transfers of Stock. Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of the stock of the Corporation. Except where a certificate is issued in accordance with Section 4 of Article V of these Bylaws, an outstanding certificate for the number of shares involved shall be surrendered for cancellation before a new certificate is issued therefor, if such shares are represented by certificates.

Section 3. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) days nor less than ten (10) days before the date of any meeting of shareholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described; provided, however, that if no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is not waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 4. Lost, Stolen or Destroyed Certificates. In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the Board of Directors may establish concerning the giving of a satisfactory bond or bonds of indemnity.

Section 5. Regulations. The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VI
NOTICES

Section 1. Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by pre-paid telegram or mailgram. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his or her last known address as the same appears on the books of the Corporation. The time when such notice is received, if hand delivered, or dispatched, if delivered through the mails or by telegram or mailgram, shall be the time of the giving of the notice.

Section 2. Waivers. A written waiver of any notice, signed by a stockholder, director, officer, employee or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such stockholder, director, officer, employee or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE VII
MISCELLANEOUS

Section 1. Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

Section 2. Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 3. Reliance upon Books, Reports and Records. Each director, each member or any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence or who has been selected with reasonable care by or on behalf of the Corporation.

Section 4. Fiscal Year. The fiscal year of the Corporation shall be as fixed by the Board of Directors.

Section 5. Time Periods. In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be

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done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE VIII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee") , whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes and or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 3 of this Article VIII with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right of indemnification provided for in this Section 1 is subject to the limitation provided in Section 7 and elsewhere in this Article VIII.

Section 2. Right to Advancement of Expenses. The right to indemnification conferred in Section 1 of this Article VIII shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only (i) upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this section 2 or otherwise, (ii) if the Corporation shall be insured against any such advances or (iii) if a majority of a quorum of the disinterested, non-party

directors of the Corporation, or an independent legal counsel in a written opinion, shall determine, based on a review of readily available facts (as opposed to a full trial-type inquiry), that there is reason to believe that the indemnitee ultimately will be found entitled to indemnification. The rights to indemnification and to the advancement of expenses conferred in Sections 1 and 2 of this Article VIII shall be contract rights and such

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rights shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

Section 3. Right of Indemnitee to Bring Suit. If a claim under Section 1 or 2 of this Article VIII is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of the undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In

(a) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and

(b) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the Delaware General Corporation Law or Section 7 of this Article VIII. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law and Section 7 of this Article VIII, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise, shall be on the corporation.

Section 4. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VIII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation's Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law; provided, however, that no insurance may be obtained for the purpose of indemnifying any disabling conduct, as defined in Section 7 of this Article VIII.

Section 6. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 7. Limitation for Disabling Conduct. Notwithstanding any of the foregoing, the Corporation may not indemnify any director or officer of the Corporation against any liability to the corporation or its security holders to which such director or officer might otherwise be subject by reason of "disabling conduct," as hereinafter defined.

(a) In the case of a director or officer of the Corporation, such determination shall include a determination that the liability for which such indemnification is sought did not arise by reason of such person's disabling conduct. Such determination may be based on:

(i) a final decision on the merits by a court or other body before whom the action, suit or proceeding was brought that the person to be indemnified was not liable by reason of disabling conduct, or

(ii) in the absence of such a decision, a reasonable determination, based on a review of the facts, that the person to be indemnified was not liable by reason of such person's disabling conduct by

(A) the vote of majority of a quorum of directors who are disinterested, non-party directors, or

(B) an independent legal counsel in a written opinion.

In making such determination, such disinterested, non-party directors or independent legal counsel, as the case may be, may deem the dismissal for insufficiency of evidence of any disabling conduct of either a court action or an administrative proceeding against a person to be indemnified to provide reasonable assurance that such person was not liable by reason of disabling conduct.

(b) For the purpose of this Section:

(i) "disabling conduct" of a director or officer shall mean such person's willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of the office;

(ii) "disinterested, non-party director" shall mean a director of the Corporation who is neither an "interested person" of the

Corporation as defined in Section 2(a)(19) of the Investment Company Act of 1940 nor a party to the action, suit or proceeding in connection with which indemnification is sought;

(iii) "independent legal counsel" shall mean a lawyer who is not, and at least two (2) years prior to his engagement to render the opinion in question has not been,

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employed or retained by the Corporation, by any investment advisor to or the principal underwriter for the Corporation, or by any person affiliated with any of the foregoing; and

(iv) "the Corporation" shall include any wholly-owned subsidiary of the corporation and, in addition to the resulting Corporation, any constituent Corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents.

ARTICLE IX
AMENDMENTS

These Bylaws may be amended or repealed by the Board of Directors at any meeting or by the stockholders at any meeting.

THE AMENDED AND RESTATED BY-LAWS WERE ADOPTED AS OF DECEMBER 12, 2007.