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FOXBY CORP  
Form DEF 14A  
September 02, 2005

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. \_\_)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to (ss.) 240.14a-11(c) or (ss.) 240.14a-12

Foxyby Corp.

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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- Fee paid previously with preliminary materials.
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  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:

FOXBY CORP.

Notice of Annual Meeting of Stockholders

To the Stockholders:

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Notice is hereby given that the 2005 Annual Meeting of Stockholders of Foxby Corp. (the "Fund") will be held at the offices of the Fund at 11 Hanover Square, 12th Floor, New York, New York on October 4, 2005 at 8:00 a.m., local time, for the following purpose:

1. To elect to the Board of Directors the Nominee, Peter K. Werner as a Class III Director.

Stockholders of record at the close of business on August 22, 2005 are entitled to receive notice of and to vote at the meeting.

By Order of the Board of Directors

/s/ John F. Ramirez

John F. Ramirez  
Secretary

New York, New York  
August 31, 2005

Please Vote Immediately by Signing and Returning the Enclosed Proxy Card. Delay may cause the Fund to incur additional expenses to solicit votes for the Meeting.

FOXBY CORP.

### PROXY STATEMENT

Annual Meeting of Stockholders  
to be held October 4, 2005

This Proxy Statement, dated August 31, 2005, is furnished in connection with a solicitation of proxies by the Board of Directors (the "Board") of the Foxby Corp. (the "Fund") to be voted at the 2005 Annual Meeting of Stockholders of the Fund to be held at the offices of the Fund at 11 Hanover Square, 12th Floor, New York, New York on October 4, 2005 at 8 a.m., local time, and at any postponement or adjournment thereof ("Meeting") for the purpose set forth in the accompanying Notice of Annual Meeting of Stockholders. Only stockholders of record at the close of business on August 22, 2005 ("Record Date") are entitled to be present and to vote at the Meeting. Stockholders are entitled to one vote for each Fund share held, and fractional votes for each fractional Fund share held. Shares represented by executed and unrevoked proxies will be voted in accordance with the instructions on the Proxy Card. A stockholder may revoke a proxy by delivering to the Fund a signed proxy with a date later than the previously delivered proxy or by sending a written revocation to the Fund. To be effective, such revocation must be received prior to the Meeting. In addition, any stockholder who attends the Meeting in person may vote by ballot at the Meeting, thereby canceling any proxy previously given. As of the Record Date, the Fund had 2,602,847 shares of common stock issued and outstanding. Stockholders of the Fund vote as a single class.

It is estimated that proxy materials will be mailed to stockholders as of the Record Date on or about September 2, 2005. The Fund's principal executive offices are located at 11 Hanover Square, New York, New York 10005. Copies of

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the Fund's most recent Annual and Semi-Annual Reports are available without charge upon written request to the Fund at 11 Hanover Square, New York, New York 10005, or by calling toll-free 1-800-937-5449.

### Quorum and Voting

At the Meeting, the presence in person or by proxy of stockholders entitled to cast one-third of all the votes entitled to be cast at the Meeting shall constitute a quorum, except with respect to any matter which, under applicable statutes or regulatory requirements, requires approval by a separate vote of one or more classes or series of stock, in which case the presence in person or by proxy of stockholders entitled to cast one-third of all the votes entitled to be cast by each class or series entitled to vote as a separate class or series on the matter shall constitute a quorum; but this shall not affect any requirement under any statute or the Charter of the Fund for the vote necessary for the adoption of any measure. If, however, such quorum shall not be present at the Meeting, the chairman of the Meeting shall have the power to adjourn the Meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the Meeting. At such adjourned Meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the Meeting as originally notified. A stockholder vote may be taken for one or more proposals prior to any adjournment if sufficient votes have been received for approval. If a proxy is properly executed and returned accompanied by instructions to withhold authority to vote, represents a broker "non-vote" (that is, a proxy from a broker or nominee indicating that such person has not received instructions from the beneficial owner or other person entitled to vote shares of the Fund on a particular matter with respect to which the broker or nominee does not have discretionary power) or marked with an abstention (collectively, "abstentions"), the Fund's shares represented thereby will be considered to be present at the Meeting for purposes of determining the existence of a quorum for the transaction of business. Under Maryland law, abstentions do not constitute a vote "for" or "against" a matter and will be disregarded in determining "votes cast" on an issue.

### Vote Required

As set forth in the Fund's Bylaws as amended on June 8, 2005, "[u]nless all nominees for Director are approved by a majority of the Continuing Directors, the affirmative vote of the holders of at least 66 2/3% of the outstanding shares of all classes of voting stock, voting together, shall be required to elect a Director. If all nominees for Director are approved by a majority of the Continuing Directors, a plurality of all the votes cast at a meeting at which a quorum is present shall be sufficient to elect a Director." Inasmuch as the only nominee for Director permitted under such Bylaws was approved by a majority of the Continuing Directors, a plurality of all the votes cast at the Meeting at which a quorum is present shall be sufficient to elect the nominee as a Director.

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### Proposal 1: Election of Directors

At the Board of Directors meeting held on June 8, 2005, the Fund's Board approved the nomination of Peter K. Werner as a Class III Director to hold office until the 2010 annual meeting and until his successor is duly elected and qualifies. In the event Peter K. Werner is not duly elected, as proposed and qualifies, he shall be deemed holding over and shall continue to manage the business and affairs of the Fund as a member of the Board of Directors until his successor is duly elected and qualifies. Unless otherwise noted, the address of record for the nominee and other Directors and officers is 11 Hanover Square,

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New York, New York 10005. The following table sets forth certain information concerning the nominee for Class III Director of the Fund.

Name, Principal Occupation, Business Experience for Past Five Years, Address, and Age	Director Since	Number of Portfolios in Investment Company Complex Overseen by Director	Other Public Directorships by Director
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 Non-interested Nominee:  
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Class III:

PETER K. WERNER - Since 1996 he has taught and directed many programs at The Governor Dummer Academy. Previously, he was Vice President of Money Market Trading at Lehman Brothers. He was born on August 16, 1959.	2002	5	0
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The persons named in the accompanying form of proxy intend to vote each such proxy FOR the election of the nominee listed above, unless a stockholder specifically indicates on a proxy the desire to withhold authority to vote for the nominee. It is not contemplated that the nominee will be unable to serve as a Director for any reason, but if that should occur prior to the Meeting, the proxy holders reserve the right to substitute another person or persons of their choice as nominee. The nominee listed above has consented to being named in this Proxy Statement and has agreed to serve as a Director if elected.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS YOU VOTE FOR THE NOMINEE.

The following table sets forth certain information concerning the other Directors currently serving on the Board of the Fund. Each Director who is deemed to be an "interested person" because he is an "affiliated person" as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), is indicated by an asterisk. Class V became vacant upon the decease of John B. Russell in July 2005.

Name, Principal Occupation, Business Experience for Past Five Years, Address, and Age	Director Since	Number of Portfolios in Investment Company Complex Overseen by Director	Other Public Directorships by Director
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 Non-interested Directors:  
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Class I:

JAMES E. HUNT - He is a Managing Director of Hunt Howe Partners LLC executive recruiting consultants. He was born on December 14, 1930.	2004	5	0
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Class II:

BRUCE B. HUBER, CLU, ChFC, MSFS - He is a Financial Representative with New England Financial, specializing in financial, estate and insurance matters. He was born on February 7, 1930.	2004	5	0
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Name, Principal Occupation, Business Experience for Past Five Years, Address, and Age	Director Since	Number of Portfolios in Investment Company Complex Overseen by Director	Other Public Directorships by Director
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Interested Director:  
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<p>Class IV: THOMAS B. WINMILL* - He is President, Chief Executive Officer, and General Counsel of the Fund, as well as the other investment companies (collectively, the "Investment Company Complex") advised by CEF Advisers, Inc. (the "Investment Manager") and its affiliates, the Investment Manager, and Winmill &amp; Co. Incorporated and its affiliates ("WCI"). He also serves as General Counsel to Tuxis Corporation, an affiliate of WCI. He is a member of the New York State Bar and the SEC Rules Committee of the Investment Company Institute. He was born on June 25, 1959.</p>	2002	5	Bexil Corp
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\*He is an "interested person" of the Fund as defined in the 1940 Act due to his affiliation with the Investment Manager.

The Fund has an audit committee, the function of which is routinely to review financial statements and other audit-related matters as they arise throughout the year. The Fund has a nominating committee the function of which is to identify and evaluate nominees for director and make its recommendations to the Board. The Fund has an executive committee comprised of Thomas B. Winmill, the function of which is to exercise the powers of the Board of Directors between meetings of the Board to the extent permitted by law to be delegated and not delegated by the Board to any other committee. The Fund has a committee of Continuing Directors, as defined in the Bylaws, to take such actions as are required by the Charter and Bylaws of the Fund. Mr. Winmill is an "interested person" because he is an "affiliated person" as defined in the 1940 Act. The Fund has no standing compensation committee or any committee performing similar functions.

Unless otherwise noted, the address of record for the officers is 11 Hanover Square, New York, New York 10005. The executive officers, other than those who serve as Directors, and their relevant biographical information are set forth below:

Name and Age	Principal Occupation During Past 5 years
Thomas O'Malley Born on July 22, 1958	Chief Accounting Officer, Chief Financial Officer, and Vice President since 2005. He also is Chief Accounting Officer, Chief Financial Officer, and Vice President of the Investment Company Complex, the Investment Manager. Previously, he served as Assistant Controller of Reich & Tang Associates, LLC, Reich & Tang Services, Inc., and Reich & Tang Distributors, a certified public accountant
William G. Vohrer Born on August 17, 1950	Treasurer since 2001. He also is Treasurer of the Investment Company Complex, the Investment Manager, and WCI. From 1999 to 2001, he consulted on financial matters.
Marion E. Morris Born on June 17, 1945	Senior Vice President since 2000. She is also a Senior Vice President of the Investment Company Complex, the Investment Manager, and WCI. She

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Fixed Income and a member of the Investment Policy Committee of Manager. Previously, she served as Vice President of Salomon Brothers Corporation, and Cantor Fitzgerald.

John F. Ramirez  
Born on April 29, 1977

Secretary and Chief Compliance Officer since 2005. He is also Secretary and Chief Compliance Officer of the Investment Company Complex, the Investment Company Complex, WCI. He previously served as Compliance Administrator and Assistant Secretary of the Investment Company Complex, the Investment Manager, and WCI.

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The following table sets forth information regarding the beneficial ownership of the Fund's outstanding shares as of the Record Date by (i) each director, nominee and executive officer and (ii) all directors and executive officers as a group.

Name of Director, Nominee or Officer	Number of Shares	Percent of Outstanding Shares
-----		
Non-interested Nominee:		
-----		
Peter K. Werner	None	**
Non-interested Directors:		
-----		
Bruce B. Huber	None	**
James E. Hunt	3,000	**
Interested Director:		
-----		
Thomas B. Winmill	200	**
Officers:		
-----		
Marion E. Morris	None	**
Thomas O'Malley	None	**
John F. Ramirez	None	**
William G. Vohrer	None	**
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Total shares held by directors and officers as a group	3,200 =====	** ==

\*\* Less than 1% of the outstanding shares

To the knowledge of the management of the Fund, the following stockholders beneficially owned 5% or more of the outstanding shares of the Company as of the Record Date:

Name and Address	Common Stock	Approximate Percentage of Fund's Total Outstanding Shares
-----		
Richard J. Shaker(1) D.B.A. Shaker Financial Services 1094 Magothy Circle Annapolis, Maryland 21401	397,300 shares	15.26%

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Bassett S. Winmill*	244,400 shares	9.39%
11 Hanover Square New York, New York 10005		
Thomas B. Winmill**	237,100 shares	9.11%
11 Hanover Square New York, New York 10005		
Investor Service Center, Inc.	236,900 shares	9.10%
11 Hanover Square New York, New York 10005		
Winmill & Co. Incorporated***	236,900 shares	9.10%
11 Hanover Square New York, New York 10005		
CSS LLC(2)	150,000 shares	5.76%
175 W. Jackson Street, Ste. 440 Chicago, IL 60604 150,000 shares		

(1)According to a Form 4/A filed July 14, 2005.  
(2)According to a Schedule 13G/A filed February 3, 2005.

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\*Bassett S. Winmill has indirect beneficial ownership of 236,900 of these shares, as a result of his status as a controlling person of Winmill & Co. Incorporated and Investor Service Center, Inc., the direct beneficial owner. Mr. Winmill disclaims beneficial ownership of the shares held by Investor Service Center, Inc.

\*\*Thomas B. Winmill has indirect beneficial ownership of 236,900 of these shares, as a result of his status as a controlling person of Winmill & Co. Incorporated and Investor Service Center, Inc., the direct beneficial owner. Mr. Winmill disclaims beneficial ownership of the shares held by Investor Service Center, Inc.

\*\*\*Winmill & Co. Incorporated has indirect beneficial ownership of these shares, as a result of its status as a controlling person of Investor Service Center, Inc., the direct beneficial owner.

The following table sets forth information describing the dollar range of equity securities beneficially owned by each Director and nominee of the Fund and, on an aggregate basis, the Investment Company Complex as of the Record Date:

Name of Director, Nominee or Officer	Dollar Range of Equity Securities in the Fund	Aggregate Dollar Range of All Registered Investment Securities of the Director in Investment Company Complex
-----		
Non-interested Nominee:		
-----		
Peter K. Werner	None	\$
Non-interested Directors:		
-----		
Bruce B. Huber	None	
James E. Hunt	\$1-\$10,000	\$10

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Interested Director:  
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Thomas B. Winmill

\$1-\$10,000

Currently, the Fund pays its Directors who are not "interested persons" or affiliated with the Investment Manager, an annual retainer of \$200, and a per meeting fee of \$200, and reimburses them for their meeting expenses. The Fund also pays such Directors \$250 per special telephonic meeting attended and per committee meeting attended. The Fund does not pay any other remuneration to its executive officers and Directors, and the Fund has no bonus, pension, profit-sharing or retirement plan. The Fund had four regular Board meetings, one special Board meeting, two audit committee meetings, two special committee meetings and no executive committee or nominating committee meetings during the Fund's most recently completed full fiscal year ended December 31, 2004. Each Director attended all Board and committee meetings held during such periods during the time such Director was in office.

The aggregate amount of compensation paid to each Director and nominee by the Fund and by the other investment companies in the Investment Company Complex for which such Director or nominee was a board member (the number of which is set forth in parenthesis next to the Director or nominee's name) for the year ended December 31, 2004, is as follows:

Name of Director or Nominee (Current Total Number of Investment Companies)*	Aggregate Compensation from the Fund	Total Compensation from the Fund and Investment Company Complex
-----	-----	-----
Non-interested Nominee: -----		
Peter K. Werner (5)	\$4,300	\$19,250
Non-interested Directors: -----		
Bruce B. Huber (5)	\$550	\$16,000
James E. Hunt (5)	\$3,425	\$23,000
Interested Director: -----		
Thomas B. Winmill (5)	None	None

\*During the fiscal year 2004 there were five investment companies managed by the Investment Manager and its affiliated investment adviser.

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The Investment Manager, located at 11 Hanover Square, New York, New York 10005, is a wholly-owned subsidiary of WCI, a publicly-owned company whose securities are traded over-the-counter. During the fiscal year ended December 31, 2004, the Fund paid the Investment Manager investment management fees of \$67,655. The Fund reimbursed the Investment Manager \$38,322 for providing at cost certain compliance services of \$12,644 and accounting service of \$25,678 during the year ended December 31, 2004.

In the Circuit Court for Baltimore City, Maryland, Civil Action No. 24-C-04-007613 filed on October 4, 2004, a group comprised of Richard J. Shaker, Phillip Goldstein, Rajeev Das, and Andrew Dakos have sued the Fund and its Directors, alleging various breaches by the Directors of fiduciary duty under Maryland law and seeking declaratory and injunctive relief. This suit generally



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arises out of the Fund's 2004 annual meeting of stockholders and the Fund's Bylaws. The Fund has filed a motion for summary judgment. In connection with these and other legal matters, legal expenses incurred by the Fund were \$83,200 in the year ended December 31, 2004 and \$296,300 for the six months ended June 30, 2005.

### Board of Directors' Annual Approval of the Investment Management Agreement

The investment management agreement between the Fund and the Investment Manager generally provides that the agreement shall continue automatically for successive periods of twelve months each, provided that such continuance is specifically approved at least annually (i) by a vote of a majority of the Directors of the Fund who are not parties to the agreement, or interested persons of any such party and (ii) by the Board of Directors of the Fund or by the vote of the holders of a majority of the outstanding voting securities of the Fund.

In considering the annual approval of the agreement between the Fund and the Investment Manager, the Board of Directors considered information that had been provided throughout the year at regular Board meetings, as well as information furnished to the Board for a meeting held in March 2005 to specifically consider the renewal of the agreement. Such information included, among other things, the following: information comparing the management fee of the Fund with those of comparable funds; information regarding Fund investment performance in comparison to a relevant peer group of funds; the economic outlook and the general investment outlook in relevant investment markets; the Investment Manager's results and financial condition and the overall organization of the Investment Manager; the allocation of brokerage and the benefits received by the Investment Manager as a result of brokerage allocation; the Investment Manager's management of relationships with the custodian, transfer agent, and fund accountant; the resources devoted to the Investment Manager's compliance efforts undertaken on behalf of the funds it manages and the record of compliance with the investment policies and restrictions and with policies on personal securities transactions; the quality, nature, cost and character of the administrative and other non-investment management services provided by the Investment Manager and its affiliates; and the terms of the agreement and the reasonableness and appropriateness of the particular fee paid by the Fund for the services described therein.

The Board of Directors also considered the nature, extent and quality of the management services provided by the Investment Manager. In so doing, the Board considered the Investment Manager's management capabilities with respect to the types of investments held by the Fund, including information relating to the education, experience and number of investment professionals and other personnel who provide services under the agreement. The Board also took into account the time and attention to be devoted by management to the Fund and the other funds in the complex. The Board evaluated the level of skill required to manage the Fund and concluded that the human resources available at the Investment Manager were appropriate to fulfill effectively its duties on behalf of the Fund.

The Board received information concerning the investment philosophy and investment process applied by the Investment Manager in managing the Fund. In this regard, the Board considered the Investment Manager's in-house research capabilities as well as other resources available to the Investment Manager personnel, including research services that may be available to the Investment Manager as a result of securities transactions effected for the Fund and related investment management clients. The Board concluded that the Investment Manager's investment process, research capabilities and philosophy were well suited to the Fund, given the Fund's investment objective and policies.

In its review of comparative information with respect to Fund

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investment performance, the Board received comparative information, comparing the Fund's performance to that of similar peer groups. After reviewing this information, the Board concluded that the Fund has performed within a range that the Board deemed competitive. With respect to its review of investment management fees, the Board considered information comparing the Fund's management fee and expense ratio to those of comparable funds with similar management fee characteristics. This information assisted the Board in concluding that the fee paid by the Fund is within the range of those paid by comparable funds within the fund industry. In reviewing the information regarding the expense ratio of the Fund, the Board concluded that although the Fund's expense ratio is within a higher range, it is competitive with comparable funds in light of the quality of services received.

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In addition to the factors mentioned above, the Board reviewed the level of the Investment Manager's profits in providing investment management and related services for the Fund and for all the funds in the Investment Company Complex. In addition, the Board considered the fiduciary duty assumed by the Investment Manager in connection with the services rendered to the Fund and the business reputation of the Investment Manager and its financial resources. The Board concluded that in light of the services rendered, the profits realized by the Investment Manager are not unreasonable.

The Board did not consider any single factor as controlling in determining whether or not to renew the agreement. Nor are the items described herein all the matters considered by the Board. In assessing the information provided by the Investment Manager and its affiliates, the Board also took into consideration the benefits to shareholders of investing in a fund that is part of a family of funds which provides a large variety of shareholder services.

Based on its consideration of the foregoing factors and conclusions, and such other factors and conclusions as it deemed relevant, and assisted by counsel, the Board concluded that the approval of the agreement, including the fee structure, is in the interests of shareholders.

### Audit Committee Report

In accordance with its written charter adopted by the Board of Directors, the Audit Committee assists the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the Fund's financial reporting practices. The purposes of the Audit Committee are (i) to oversee the Fund's accounting and financial reporting policies and practices, its internal controls and, as appropriate, the internal controls of certain service providers; (ii) to oversee the quality and objectivity of the Fund's financial statements and the independent audit thereof; and (iii) to act as a liaison between the Fund's independent auditors and the full Board of Directors. The Audit Committee met twice in fiscal 2004.

The Committee reported that at the meeting of the Audit Committee held on February 24, 2005 the Audit Committee recommended the retention of Tait, Weller & Baker ("Tait, Weller") as the independent registered public accounting firm ("IRPAF") for the Funds. In connection therewith, the Audit Committee met with Mr. DeVerter of Tait, Weller to review the results of the 2004 audit, including the Report on Internal Controls. The Committee received letters from Tait, Weller with respect to Tait, Weller's professional standards and its independence. In its independence letter, Tait, Weller stated that, in addition to the Investment Company Complex, it serves as the IRPAF for Tuxis Corporation and Winmill & Co. Incorporated and its subsidiaries; nonetheless, Tait, Weller believes it is independent of the Fund within the meaning of the federal

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securities laws. In addition, the Audit Committee reviewed Tait, Weller's proposed fees with respect to the audit of the Investment Company Complex.

This report shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Act of 1934, as amended, and shall not otherwise be deemed filed under such Acts. The Audit Committee Members are: Bruce B. Huber, James E. Hunt, and Peter K. Werner, chair. The Audit Committee members are independent, as defined in section 121(A) of the listing standards of the American Stock Exchange.

Tait, Weller has been selected as IRPAF for the Fund for the fiscal period commencing January 1, 2005. Tait, Weller also acts as IRPAF of the Investment Manager, WCI, and the Investment Company Complex. Apart from its fees received as IRPAF, neither Tait, Weller nor any of its partners has a direct, or material indirect, financial interest in the Fund or its affiliates. Representatives of Tait, Weller are not expected to be present at the Meeting but have been given the opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions.

The Fund's financial statements for the fiscal years ended December 31, 2003 and 2004 were audited by Tait, Weller. The following table sets forth the aggregate fees billed for professional services rendered by Tait, Weller:

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Fiscal Year Ended December 31	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees	Aggr -Aud
2003	\$9,500	\$1,000	\$2,500	\$0	\$4
2004	\$9,000	\$1,000	\$3,000	\$0	\$3

\*Tait, Weller also provides audit and non-audit services to the Investment Manager, WCI, and the Investment Company Complex. The Audit Committee has considered the provision of these services and has determined such services to be compatible with maintaining Tait, Weller's independence.

Pursuant to the Fund's Audit Committee Charter, the Audit Committee shall consider for pre-approval any non-audit services proposed to be provided by the auditors to the Fund, and any non-audit services proposed to be provided by such auditors to the Fund's investment manager, if any, which have a direct impact on Fund operations or financial reporting. In those situations when it is not convenient to obtain full Audit Committee approval, the Chairman of the Audit Committee is delegated the authority to grant pre-approvals of auditing, audit-related, non-audit related, tax, and all other services so long as all such pre-approved decisions are reviewed with the full Audit Committee at its next scheduled meeting. Such pre-approval of non-audit services proposed to be provided by the auditors to the Fund is not necessary, however, under the following circumstances: (i) all such services do not aggregate to more than 5% of total revenues paid by the Fund to the auditor in the fiscal year in which services are provided, (ii) such services were not recognized as non-audit services at the time of the engagement, and (iii) such services are brought to the attention of the Audit Committee, and approved by the Audit Committee, prior to the completion of the audit. See Appendix B for a copy of the most recent Audit Committee Charter.

### Nominating Committee

The Board of Directors has a Nominating Committee composed of three

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independent Directors. The members of the Nominating Committee are Messrs. Bruce B. Huber, James E. Hunt, and Peter K. Werner. The Nominating Committee generally meets once annually to identify and evaluate nominees for director and make recommendations to the Board.

The Fund's Board of Directors adopted a charter for its Nominating Committee. Pursuant to the Charter, the Nominating Committee identifies, evaluates and selects and nominates, or recommends to the Board of Directors, candidates for the Board. It also may set standards or qualifications for Directors. The Nominating Committee may consider candidates as Directors submitted by current Directors, the Fund's investment adviser, Fund stockholders and other appropriate sources. The Nominating Committee will consider candidates submitted by a stockholder or group of stockholders who have owned at least 5% of the Fund's outstanding common stock for at least two years at the time of submission and who timely provide specified information about the candidates and the nominating stockholder or group. To be timely for consideration by the Nominating Committee, the submission, including all required information, must be submitted in writing to the attention of the Secretary at the principal executive offices of the Fund not less than 120 days before the date of the proxy statement for the previous year's annual meeting of stockholders. The Nominating Committee will consider only one candidate submitted by such a stockholder or group for nomination for election at an annual meeting of stockholders. The Nominating Committee will not consider self-nominated candidates.

The Nominating Committee will consider and evaluate candidates submitted by stockholders on the basis of the same criteria as those used to consider and evaluate candidates submitted from other sources. These criteria include the candidate's relevant knowledge, experience, and expertise, the candidate's ability to carry out his or her duties in the best interests of the Fund and the candidate's ability to qualify as a disinterested Director. A detailed description of the criteria used by the Nominating Committee as well as information required to be provided by stockholders submitting candidates for consideration by the Nominating Committee are included in the Charter. The Charter was included in the appendix to the Fund's proxy statement filed during the fiscal year 2004.

The Fund's Board of Directors has adopted a process for stockholders to send communications to the Board. To communicate with the Board of Directors or an individual Director of the Fund, a stockholder must send a written communication to that Fund's principal office at the address listed in the Notice of Annual Meeting of Stockholders accompanying this Proxy Statement, addressed to the Board of Directors of the Fund or the individual Director. All stockholder communications received in accordance with this process will be forwarded to the Board of Directors or the individual Director. The Funds does not pay any fees to, or reimburses expenses of, any Director during a time when the Director is considered an "interested person" of the Fund. The aggregate compensation paid by the Fund to the Directors during the Fund's fiscal year ended in 2004, the aggregate compensation paid to the Directors during calendar year 2004 by all of the investment companies in the Investment Company Complex, and the total number of investment companies in the Investment Company Complex as to which the Directors are a director and the number of investment portfolios as to which the Directors are directors are set forth above. Neither the Fund nor any other investment company in the Investment Company Complex provides compensation in the form of pension or retirement benefits to any of its directors.

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The Fund's Board of Directors ("Board") has continuously availed itself of methods specifically provided by, or consistent with, Maryland law and the 1940 Act to protect the Fund and its stockholders. Accordingly, the Fund currently has provisions in its Charter and Bylaws (collectively, the "Governing Documents") which could have the effect of limiting (i) the ability of other entities or persons to acquire control of the Fund, (ii) the Fund's freedom to engage in certain transactions, or (iii) the ability of the Fund's directors or stockholders to amend the Governing Documents or effectuate changes in the Fund's management. These provisions of the Governing Documents of the Fund may be regarded as "anti-takeover" provisions. The Fund is also subject to certain Maryland law provisions, including those which have been enacted since the inception of the Fund, that make it more difficult for non-incumbents to gain control of the Board. In 2003, the Fund's Board amended and restated the Bylaws of the Fund. In doing so, the Board consulted with counsel to the Fund and Maryland counsel to the Fund and elected to become subject to various provisions of the Maryland General Corporation Law (the "MGCL"). The Board also adopted a Conflict of Interest and Corporate Opportunities Policy applicable to its disinterested directors, a current copy of which is included as Appendix A to this proxy statement.

In addition to the use of the mails, proxies may be solicited personally, by telephone, or by other means, and the Fund may pay persons holding its shares in their names or those of their nominees for their expenses in sending soliciting materials to their principals. The Fund will bear the cost of soliciting proxies. In addition, the Fund will retain N.S. Taylor & Associates ("N.S. Taylor"), 15 North Street, 2nd Floor, P.O. Box 358 Dover-Foxcroft, ME 04426, to solicit proxies on behalf of its Board for a fee estimated at \$2,000 plus expenses, primarily by contacting stockholders by telephone and telegram. Authorizations to execute proxies may be obtained by telephonic instructions in accordance with procedures designed to authenticate the stockholder's identity. In all cases where a telephonic proxy is solicited, the stockholder will be asked to provide his or her address, social security number (in the case of an individual) or taxpayer identification number (in the case of an entity) or other identifying information and the number of shares owned and to confirm that the stockholder has received the Fund's Proxy Statement and proxy card in the mail. Within 48 hours of receiving a stockholder's telephonic voting instructions and prior to the Meeting, a confirmation will be sent to the stockholder to ensure that the vote has been taken in accordance with the stockholder's instructions and to provide a telephone number to call immediately if the stockholder's instructions are not correctly reflected in the confirmation. Stockholders requiring further information with respect to telephonic voting instructions or the proxy generally should contact N.S. Taylor toll-free at 1-866-470-1500. Any stockholder giving a proxy may revoke it at any time before it is exercised by submitting to the Fund a written notice of revocation or a subsequently executed proxy or by attending the meeting and voting in person.

### Discretionary Authority; Submission Deadlines for Stockholder Proposals

Although no business may come before the Meeting other than that specified in the Notice of Annual Meeting of Stockholders, shares represented by executed and unrevoked proxies will confer discretionary authority to vote on matters which the Fund did not have notice of a reasonable time prior to mailing this Proxy Statement to stockholders. The Fund's Bylaws provide that a stockholder of record may nominate a candidate for election as a director at an annual meeting of stockholders or propose business for consideration at such meeting, provided generally that written notice be delivered to the Secretary of the Fund, at the principal executive offices, not less than 90 days nor more than 120 days prior to the first anniversary of the mailing of the notice for the preceding year's annual meeting. Accordingly, pursuant to such Bylaws and Rule 14a-5(e)(2) of the 1934 Act, a record stockholder nomination or proposal intended to be considered at the 2006 Annual Meeting must be received by the

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Secretary no earlier than May 5, 2006 nor later than June 4, 2006. Proposals should be mailed to the Fund, to the attention of the Fund's Secretary, John F. Ramirez, 11 Hanover Square, New York, New York 10005. In addition, if you wish to have your proposal considered for the inclusion in the Fund's 2006 Proxy Statement, we must receive it on or before May 5, 2006 pursuant to Rule 14a-8(e)(2). The submission by a stockholder of a proposal for inclusion in the proxy statement or presentation at the Meeting does not guarantee that it will be included or presented. Stockholder proposals are subject to certain requirements under the federal securities laws and the MGCL and must be submitted in accordance with the Fund's Bylaws.

### Compliance with Section 16(a) Beneficial Ownership Reporting

Section 16(a) of the Securities Exchange Act of 1934, and rules thereunder, requires the Fund's directors and officers, and any persons holding 10% or more of its common stock, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the American Stock Exchange. Based on the Fund's review of the copies of such forms it receives, the Fund believes that during the calendar year ended 2004, such persons complied with all such applicable filing requirements except Mr. Shaker and one late filing made with respect to a Form 4 filed on behalf of Bassett S. Winmill.

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### Notice to Banks, Broker/Dealers and Voting Trustees and Their Nominees

Please advise the Fund's transfer agent American Stock Transfer & Trust Company at 1-800-937-5449 whether other persons are the beneficial owners of the shares for which proxies are being solicited and, if so, the number of copies of this Proxy Statement and other soliciting material you wish to receive in order to supply copies to the beneficial owners of shares.

It is important that proxies be returned promptly. Therefore, stockholders who do not expect to attend the meeting in person are urged to complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

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### APPENDIX A

#### FOXBY CORP.

#### CONFLICT OF INTEREST AND CORPORATE OPPORTUNITIES POLICY

In order to enable the Foxby Corp. (the "Fund") to maintain the highest standards of corporate governance, generally each Disinterested Director (as defined below) should be free of relationships, activities or interests which conflict with, or appear to conflict with, the interests of the Fund or may deprive the Fund and its stockholders of the loyalty of and fair dealing by its Disinterested Directors. In furtherance of these goals, the Board of Directors of the Fund (the "Board") has adopted a formal Conflict of Interest and Corporate Opportunities Policy to generally preclude any material conflicts or improprieties with respect to actions of the individual Disinterested Directors.

#### I. Conflicts of Interest:

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- A. A Disinterested Director shall not use corporate property, information or position in a manner that constitutes a material Conflict of Interest or otherwise knowingly engage in a conflict of interest.
- B. A "Conflict of Interest" means a personal interest of a Disinterested Director that interferes, or appears to interfere, in any way with the interests of the Fund as a whole. A conflict of interest includes, without limitation:
1. An interest that has the potential to make it difficult for a Disinterested Director to perform his or her duties objectively;
  2. The receipt of improper personal benefit (i.e., a benefit not received by all other similarly situated directors or officers or the stockholders of the Fund) from the Fund by a Disinterested Director (or a family member of a Disinterested Director) resulting from the Disinterested Director's position with the Fund; and
- C. A "Disinterested Director" means a Director who is not an Interested Person with respect to the Fund.
- D. An "Interested Person" has the meaning stated in Section 2(a)(19) of the Investment Company Act of 1940, as amended, and the rules promulgated thereunder.
- E. A "Family Member" of a Disinterested Director means:
1. The spouse, parent, child, grandchild or sibling of a Disinterested Director or of the spouse of any of the foregoing;
  2. An individual having the same home as a Disinterested Director; or
  3. A trust or estate of which an individual specified in this Section E is a substantial beneficiary; or
  4. Trust, estate, incompetent, conservatee or minor of which the Disinterested Director is a fiduciary.
- F. A Disinterested Director who has a conflict of interest or potential conflict of interest shall report in writing to the Secretary of the Fund within five days from the date on which the Disinterested Director knew or reasonably should have been expected to have learned or known of the potential conflict. The Secretary of the Fund shall distribute the report to each director and the conflict report shall be filed with the minutes of the next regular or special meeting of the Board.
- II. Confidentiality: A Disinterested Director shall maintain confidentiality of information entrusted to him or her by the Fund, except when disclosure is specifically authorized or legally mandated. Confidential information consists of all non-public information that may be of use to competitors or harmful to the Fund if disclosed.
- III. Fair Dealing: A Disinterested Director, taking action in his or her capacity as a Disinterested Director or on behalf of any entity with which the Disinterested Director is affiliated, shall not take unfair advantage of the Fund, its stockholders or any of the directors or officers, through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other practices that would constitute unfair dealing.

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IV. Corporate Opportunities: A Disinterested Director shall not take for himself or herself personally an opportunity that the Fund could realistically expect to obtain and develop and is discovered through the use of corporate property, information or position unless the Disinterested Director has presented the opportunity to the Board in writing and the Board has rejected the opportunity. The written opportunity report shall be filed with the minutes of the next regular or special meeting of the Board.

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APPENDIX B

AUDIT COMMITTEE CHARTER  
(as amended June 8, 2005)

1. The Audit Committee shall have a minimum of three members and shall consist of all Board members who are "independent directors" in accordance with the American Stock Exchange rules.
2. The purposes of the Audit Committee are:
  - a. to oversee the Fund's accounting and financial reporting policies and practices, its internal controls and, as appropriate, the internal controls of certain service providers;
  - b. to oversee the quality and objectivity of the Fund's financial statements and the independent audit thereof; and
  - c. to act as a liaison between the Fund's independent auditors and the full Board of Directors.

The function of the Audit Committee is oversight. The Fund's management is responsible for (i) the preparation, presentation and integrity of the Fund's financial statements, (ii) the maintenance of appropriate accounting and financial reporting principles and policies and (iii) the maintenance of internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The auditors are responsible for planning and carrying out proper audits and reviews. In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of the Fund and are not necessarily, and do not necessarily represent themselves to be, accountants or auditors by profession or experts in the fields of accounting or auditing. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures. Each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Fund from which it receives information and (ii) the accuracy of the financial and other information provided to the Audit Committee by such persons and organizations absent actual knowledge to the contrary (which shall be promptly reported to the Fund's Board). In addition, the review of the Fund's financial statements by the Audit Committee is not of the same quality as audits performed by the independent accountants, nor does the Audit Committee's review substitute for the responsibilities of the Fund's management for preparing, or the independent accountants for auditing, the financial statements.



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3. To carry out its purposes, the Audit Committee shall have the following duties and powers:
- a. to recommend the selection, retention or termination of auditors and, in connection therewith, to evaluate the independence of the auditors, including whether the auditors provide any consulting services to the Fund's investment manager (it being understood that the auditors are ultimately accountable to the Audit Committee and the Fund's Board and that the Audit Committee and the Fund's Board shall have the ultimate authority and responsibility to select, evaluate, retain and terminate auditors, subject to any required stockholder vote);
  - b. to ensure receipt of a formal written statement from the auditors on a periodic basis specifically delineating all relationships between the auditors and the Fund; to discuss with the auditors any disclosed relationships
  - c. to meet with the Fund's auditors, including private meetings, as necessary (i) to review the arrangements for and scope of the annual audit and any special audits; (ii) to discuss any matters of concern relating to the Fund's financial statements, including any adjustments to such statements recommended by the auditors, or other results of said audit(s); (iii) to consider the auditors' comments with respect to the Fund's financial policies, procedures and internal accounting controls and management's responses thereto; and (iv) to review the form of opinion the auditors propose to render to the Fund;
  - d. to consider the effect upon the Fund of any changes in accounting principles or practices proposed by management or the auditors;
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- e. to review the audit and non-audit services provided to the Fund by the auditors and the fees charged for such services;
  - f. to consider for pre-approval any non-audit services proposed to be provided by the auditors to the Fund, and any non-audit services proposed to be provided by such auditors to the Fund's investment manager, if any, which have a direct impact on Fund operations or financial reporting. In those situations when it is not convenient to obtain full Audit Committee approval, the Chairman of the Audit Committee is delegated the authority to grant pre-approvals of auditing, audit-related, non-audit related, tax, and all other services so long as all such pre-approved decisions are reviewed with the full Audit Committee at its next scheduled meeting. Such pre-approval of non-audit services proposed to be provided by the auditors to the Fund is not necessary, however, under the following circumstances: (1) all such services do not aggregate to more than 5% of total revenues paid by the Fund to the auditor in the fiscal year in which services are provided, (2) such services were not recognized as non-audit services at the time of the engagement, and (3) such services are brought to the attention of the Audit Committee, and approved by the Audit Committee, prior to the completion of the audit.
  - g. to review the status of the Audit Committee members to determine if any of them may be considered a "financial expert" as defined in Section 407 of the Sarbanes-Oxley Act of 2002 and make recommendations regarding the "financial expert" determination to the full Board;
  - h. to receive copies of any complaints received by the Fund regarding

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accounting, internal accounting controls or auditing matters and review such complaints, and take appropriate actions, if any. The Committee shall ensure that any such complaints received from employees of the Fund or the Fund's investment manager are treated on a confidential basis and that such submissions need not identify the submitting employee by name;

- i. to investigate improprieties or suspected improprieties in Fund operations; and
  - j. to report its activities to the full Board on a periodic basis and to make such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate.
4. The Audit Committee shall meet on a regular basis and is empowered to hold special meetings as circumstances require.
  5. The Audit Committee shall regularly meet with the Fund's management, including financial personnel.
  6. The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, and shall have the discretion to institute investigations of improprieties or suspected improprieties and is vested with authority to retain special counsel and other experts or consultants at the expense of the Fund.
  7. The Audit Committee shall review the adequacy of this Charter at least annually and recommend any changes to the full Board. The Board shall also review and approve this Charter at least annually.
  8. The Fund must certify to the American Stock Exchange ("AMEX") that:
    - a. It has adopted this formal written Charter and the Audit Committee annually reviewed and reassessed the adequacy of this Charter;
    - b. It has and will continue to have an Audit Committee of at least three members, comprised solely of independent directors to the extent required by AMEX rules, each of whom is able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement or will become able to do so within a reasonable period of time after his or her appointment to the audit committee; and
    - c. It has at least one member of the Audit Committee that has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication.

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Foxyby Corp.  
c/o Corporate Election Services  
P.O. Box 1150  
Pittsburgh, PA 15230  
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Please fold and detach card at perforation before mailing.

ANNUAL MEETING OF STOCKHOLDERS OF FOXBY CORP.

October 4, 2005

This proxy is solicited by and on behalf of Foxby Corp.'s Board of Directors for the Annual Meeting of Stockholders on October 4, 2005, and at any postponement or adjournment thereof.

The undersigned stockholder of Foxby Corp. (the "Fund") hereby appoints Thomas B. Winmill and John F. Ramirez and each of them, the attorneys and proxies of the undersigned, with full power of substitution in each of them, to attend the 2005 Annual Meeting of Stockholders to be held at the offices of the Fund at 11 Hanover Square, 12th Floor, New York, New York on Tuesday, October 4, 2005 at 8:00 a.m., and at any postponement or adjournment thereof ("Meeting") to cast on behalf of the undersigned all votes that the undersigned is entitled to cast at the Meeting and otherwise to represent the undersigned at the Meeting with all of the powers possessed by the undersigned if personally present at the Meeting. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting and the accompanying Proxy Statement and revokes any proxy heretofore given for the Meeting.

Dated: \_\_\_\_\_, 2005

\_\_\_\_\_  
Signature(s) of Stockholder(s)

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

Please sign, date and return promptly in the enclosed envelope.

Your vote is important! Please sign and date the proxy card below and return it promptly in the enclosed postage-paid envelope or otherwise to Foxby Corp., c/o Corporate Election Services, P.O. Box 1150, Pittsburgh, PA 15230-1150 so that your shares can be represented at the Meeting. If no instructions are given on a proposal, the proxies will vote FOR the proposal, in accordance with the Fund Board's recommendations.

Please fold and detach card at perforation before mailing.

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Foxby Corp.

Proxy  
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The votes entitled to be cast by the undersigned will be cast as instructed below. If this Proxy is executed but no instruction is given, the votes entitled to be cast by the undersigned will be cast "FOR" the nominee as proposed in the Proxy Statement and in any event in the discretion of the Proxy holder on any other matter that may properly come before the Meeting.

