

EQUUS TOTAL RETURN, INC.
Form DEF 14A
April 13, 2010

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by 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 materials pursuant to Rule 14a-11(c) or Rule 14a-12

EQUUS TOTAL RETURN, INC.
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth

the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule, or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

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Notice of the 2010
Annual Meeting of Stockholders

Meeting Date: May 12, 2010
Meeting Time: 10:00 a.m., EDT
Location: Goodwin Procter LLP
The New York Times Building
26th Floor
620 Eighth Avenue
New York, NY 10018

Purpose of the Meeting

- To elect 9 directors, each for a term of one year;
- To ratify the appointment of UHY LLP as the Fund's independent auditor for fiscal year ending December 31, 2010; and
- To transact such other business as may properly come before the annual meeting.

Voting

All holders of record of shares of the Fund's common stock (NYSE: EQS) at the close of business on March 15, 2010 (the "Record Date"), or their legal proxy holders, are entitled to vote at the meeting and any postponements or adjournments of the meeting.

Please submit a proxy as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. You may submit your proxy online, by phone, or by mail. For specific instructions, please refer to the Questions and Answers in this proxy statement and the instructions on the proxy card.

We are distributing this proxy statement and proxy form to stockholders on or about April 12, 2010 .

By order of the Board of Directors,

RICHARD F. BERGNER
Chairman of the Board

April 12, 2010
Houston, Texas

Important Notice Regarding the Availability of Proxy Materials for the Fund's Annual Meeting of Stockholders to be held on May 12, 2010

This proxy statement, proxy card and the Fund's Annual Report to Stockholders for the fiscal year ended December 31, 2009 are available free of charge at the following website:
http://www.equuscap.com/investor_reports.htm .

EIGHT GREENWAY PLAZA

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HOUSTON, TX 77046
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EQUUS TOTAL RETURN, INC.

Eight Greenway Plaza
Suite 930
Houston, Texas 77046

PROXY STATEMENT

This proxy statement contains information relating to the annual meeting of Equus Total Return, Inc. (“EQS” or the “Fund”). The annual meeting of stockholders (the “Meeting”) or any postponement or adjournment thereof will be held on Wednesday, May 12, 2010, beginning at 10:00 a.m., Eastern Daylight Time, at Goodwin Procter LLP, The New York Times Building, 26th Floor, 620 Eighth Avenue, New York, NY 10018. The Board of Directors is sending stockholders this proxy statement to solicit proxies to be voted at the annual meeting. It is being mailed to stockholders on or about April 12, 2010.

ABOUT THE MEETING

What is the purpose of the Meeting?

At the Meeting, stockholders will be asked to elect Fund directors (see Proposal 1) and ratify the selection of the Fund’s independent registered public accounting firm (see Proposal 2). We have nominated four new directors to serve on the Fund’s Board of Directors. We invite you to read the summary backgrounds of these persons in the Proposal 1 section of this proxy statement.

Who is entitled to vote at the Meeting?

If you owned shares of the Fund on the Record Date, you are entitled to receive notice of and to participate in the Meeting. A list of stockholders on the Record Date will be available for inspection at the Fund’s office at Eight Greenway Plaza, Suite 930, Houston, Texas 77046 for ten days before the Meeting.

What are the voting rights of holders of the Fund’s common stock?

You may cast one vote per share of the Fund’s common stock that you held on the Record Date on each proposal considered at the Meeting. These shares are: (a) held directly in your name as the stockholder of record or (b) held for you as the beneficial owner through a stockbroker, bank, or other nominee.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Many stockholders of the Fund hold their shares in “street name” through a stockbroker, bank or other nominee rather than directly in their own name. There are some important distinctions in how Fund shares are held.

Stockholder of Record. If your shares are registered directly in your name with the Fund’s transfer agent, American Stock Transfer & Trust Company, you are considered, with respect to those shares, the stockholder of record; therefore, these proxy materials are being sent directly to you by the Fund. As the stockholder of record, you have the right to vote in person at the Meeting, or to grant your voting proxy directly to the Fund. You may vote online, by phone, or by mail.

Beneficial Owner. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in “street name.” Your broker or nominee, who is considered the stockholder of record with respect to those shares, has forwarded these proxy materials to you. As the beneficial owner, you have the right to provide your broker with instructions on how to vote and are also invited to attend the Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Meeting (unless you have a signed proxy from the record holder, as described below). Your broker or nominee has enclosed a voting instruction card for you to use in directing the broker or nominee regarding how to vote your shares.

Broker Discretionary Voting. New York Stock Exchange (“NYSE”) rules permit a broker member to vote on certain “routine” matters, including the ratification of auditors, without instructions from the beneficial owner of the shares. The election of directors is considered non-routine; therefore, brokers are not permitted to vote in director elections without instructions from the beneficial owners. If you hold your stock in street name and you do not instruct your broker how to vote in the election of directors, no votes will be cast on your behalf. Therefore, it is important that you cast your vote if you want it to count in the election of directors.

What constitutes a quorum?

A quorum must be present at the Meeting for any business to be conducted. The presence at the Meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the Record Date will constitute a quorum. As of the Record Date, 8,861,646 shares of the Fund's common stock, representing the same number of votes, were outstanding.

If there are not enough votes for a quorum or to approve a proposal at the Meeting, the stockholders who are represented in person or by proxy may adjourn the Meeting to permit the further solicitation of proxies. The persons named as proxies will vote proxies held by them for such adjournment, unless marked to be voted against any proposal for which an adjournment is sought, to permit the further solicitation of proxies.

What are the Board's recommendations?

The Board recommends a vote "For" the election of the nominated slate of directors (see Proposal 1) and "For" the ratification of the appointment of UHY LLP ("UHY") as the Fund's independent registered public accounting firm (see Proposal 2). Unless you give other instructions in your proxy, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board. With respect to any other matter that properly comes before the Meeting, the proxy holders will vote as recommended by the Board or, if no recommendation is given, in their own discretion.

Are there other director nominees?

A minority of the Fund's current Board members and certain other persons have filed a preliminary proxy statement, which indicates that they will propose an alternative slate of director nominees. A majority of the Fund's directors oppose the alternative slate, and recommend that you vote for the director nominees proposed in this proxy statement .

What vote is required to approve the proposals?

Election of Directors. A plurality of votes cast at the Meeting at which a quorum is present is required to elect a director. This means that the nine persons who receive the highest number of "FOR" votes will be elected to fill the available Board positions. Abstentions will not be counted as votes cast and will have no effect on this proposal. Brokers may not vote uninstructed shares held in street name for this proposal .

Ratification of Public Accounting Firm. The affirmative vote of a majority of all of the votes cast at the Meeting at which a quorum is present is required to ratify the selection of the public accounting firm. Abstentions will not be counted as votes cast and will have no effect on this proposal. Brokers may vote uninstructed shares held in street name for this proposal, and their votes will count as present for quorum purposes.

How are votes counted?

In the election of directors, you may vote "For" all of the nominees or your vote may be "Withheld" with respect to one or more of the nominees. To ratify the selection of the independent auditor, you may vote "For" the ratification, "Against," or you may "Abstain." If you execute your proxy or provide broker voting instructions without specifying further your preference as to the nominees, your shares will be voted in accordance with the recommendations of the Board.

Who can attend the Meeting?

All stockholders as of the Record Date, or their duly appointed proxies, may attend the Meeting. Each stockholder may be asked to present valid identification. Cameras, recording devices, and other electronic devices will not be permitted at the Meeting.

Please note that if you hold your shares in “street name” (that is, through a broker, bank, or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the Record Date.

How can I vote my shares in person at the Meeting?

Shares held directly in your name as the stockholder of record may be voted in person at the Meeting. If you choose to do so, please bring proof of identification. Even if you plan to attend the Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the Meeting. Shares held in street name may be voted in person by you only if you obtain a signed proxy from the record holder giving you the right to vote the shares.

How can I vote my shares without attending the Meeting?

Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct your vote without attending the Meeting by granting your voting proxy to the Fund (if you are the stockholder of record) or by providing voting instructions to your broker or nominee (if you hold shares beneficially in street name). You may vote online, by phone, or by mail. Please refer to the enclosed voting instruction card for details.

Can I change my vote after I execute my proxy?

Yes. You may change your proxy instructions at any time prior to the vote at the Meeting. You may accomplish this by granting a new proxy or new broker voting instructions at a later date (which automatically revokes the earlier proxy instructions) or by attending the Meeting and voting in person. Attendance at the Meeting will not cause your previously granted proxy to be revoked unless you specifically so request.

What does it mean if I receive more than one notice of the Meeting?

It means your shares are registered differently or are in more than one account. Please grant a voting proxy and/or provide voting instructions for all accounts that you hold.

Where can I find the voting results of the Meeting?

We will announce preliminary voting results at the Meeting and publish the final results in a Fund Form 8-K within four days after the day on which the Meeting ended.

Who can I call if I have a question?

If you have any questions about this proxy statement, please call us toll-free at 1-866-821-2606.

STOCK OWNERSHIP

Who are the largest owners of the Fund's stock?

Based on a review of filings with the SEC, the Fund is aware of two beneficial owners of more than 5% of the outstanding shares of the Fund's common stock: (i) Sam P. Douglass; and (ii) Mobiquity Investments Limited and Versatile Systems Inc.

How much stock do the Fund's directors and executive officers own?

The following table shows the amount of the Fund's common stock beneficially owned (unless otherwise indicated) as of March 15, 2010, by (1) any person known to the Fund to be the beneficial owner of more than 5% of the outstanding shares of the Fund's common stock, (2) each director/director nominee of the Fund, (3) each named executive officer, and (4) all directors/director nominees and executive officers as a group.

The number of shares beneficially owned by each entity, person, director/director nominee, or executive officer is determined under SEC rules and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the entity or individual has sole or shared voting power or investment power and also any shares that the entity or individual had the right to acquire as of March 15, 2010, or within 60 days after March 15, 2010, through the exercise of any stock option or other right. Unless otherwise indicated, to our knowledge each individual has sole investment and voting power, or shares such powers with his spouse, with respect to the shares set forth in the table.

Name	Sole Voting and Investment Power	Other Beneficial Ownership	Total	Percent of Class Outstanding	
Kenneth I. Denos	—	—	—	—	
Sam P. Douglass (1)	51,564	716,026 (2)	767,590	8.66	%
Fraser Atkinson(4)	—	822,031	822,031	9.28	%
Alessandro Benedetti(4)	—	822,031	822,031	9.28	%
Richard F. Bergner	—	—	—	—	
Charles M. Boyd, M.D.	1,098	—	1,098	*	
Alan D. Feinsilver	3,397	—	3,397	*	
Gregory J. Flanagan	21,514	—	21,514	*	
Henry W. Hankinson	—	—	—	—	
John A. Hardy(4)	—	822,031	822,031	9.28	%
Robert L. Knauss	10,670	—	10,670	*	
Bertrand des Pallieres(4)	—	822,031	822,031	9.28	%
Dr. Francis D. Tuggle	6,536	—	6,536	*	
L'Sheryl D. Hudson(3)	—	—	—	—	
All directors/director nominees and executive officers as a group (17 persons)	110,678	1,538,057	1,648,735	18.61	%