

SECURITIES AND EXCHANGE COMMISSION

FORM NSAR-B/A

Annual report for management companies filed on Form N-SAR [amend]

Filing Date: **1996-12-30** | Period of Report: **1996-09-30**
SEC Accession No. **0000793040-96-000012**

([HTML Version](#) on secdatabase.com)

FILER

ELLSWORTH CONVERTIBLE GROWTH & INCOME FUND INC

CIK: **793040** | State of Incorporation: **MD** | Fiscal Year End: **0930**
Type: **NSAR-B/A** | Act: **40** | File No.: **811-04656** | Film No.: **96687520**

Mailing Address
65 MADISON AVE
4TH FLOOR
MORRISTOWN NJ 07960

Business Address
65 MADISON AVE 4TH FL
MORRISTOWN NJ 07960
2122699236

PAGE 1
000 B000000 09/30/96
000 C000000 0000793040
000 D000000 N
000 E000000 NF
000 F000000 Y
000 G000000 Y
000 H000000 N
000 I000000 3.0.a
000 J000000 A
001 A000000 ELLSWORTH CONVERTIBLE GROWTH & INCOME FUND, I
001 B000000 811-4656
001 C000000 2016311177
002 A000000 65 MADISON AVENUE, 5TH FLOOR
002 B000000 MORRISTOWN
002 C000000 NJ
002 D010000 07960
002 D020000 7308
003 000000 N
004 000000 N
005 000000 N
006 000000 N
007 A000000 N
007 B000000 0
007 C010100 1
007 C010200 2
007 C010300 3
007 C010400 4
007 C010500 5
007 C010600 6
007 C010700 7
007 C010800 8
007 C010900 9
007 C011000 10
008 A000001 DAVIS-DINSMORE MANAGEMENT COMPANY
008 B000001 A
008 C000001 801-08123
008 D010001 MORRISTOWN
008 D020001 NJ
008 D030001 07960
008 D040001 7308
012 A000001 THE BANK OF NEW YORK
012 B000001 85-5006
012 C010001 NEW YORK
012 C020001 NY
012 C030001 10286
012 C040001 1258
013 A000001 COOPERS AND LYBRAND L.L.P.
013 B010001 NEW YORK

013 B020001 NY
013 B030001 10019
013 B040001 6013

PAGE 2

015 A000001 THE BANK OF NEW YORK
015 B000001 C
015 C010001 NEW YORK
015 C020001 NY
015 C030001 10006
015 E010001 X
018 000000 Y
019 A000000 N
019 B000000 0
020 A000001 GEORGE K. BAUM & CO.
020 B000001 44-0522232
020 C000001 9
020 A000002 BEAR, STEARNS & CO. INC.
020 B000002 13-3299429
020 C000002 5
020 A000003 PARALLAX GROUP, INC.
020 B000003 52-1718377
020 C000003 5
020 A000004 GOLDMAN, SACHS & CO., INC.
020 B000004 13-5108880
020 C000004 4
020 A000005 SMITH BARNEY INC.
020 B000005 13-1912900
020 C000005 3
020 A000006 WECHSLER & CO., INC.
020 B000006 13-1944376
020 C000006 3
020 A000007 KEEFE, BRUYETTE & WOODS, INC.
020 B000007 13-1964616
020 C000007 2
020 A000008 SCHRODER, WERTHEIM & CO., INC.
020 B000008 13-2697272
020 C000008 2
020 A000009 CS FIRST BOSTON CORP.
020 B000009 13-5659485
020 C000009 2
020 A000010 DONALDSON, LUFKIN & JENRETTE SECURITIES CORP.
020 B000010 13-2741729
020 C000010 1
021 000000 41
022 A000001 GE CAPITAL SERVICES, INC.
022 B000001 13-1500700
022 C000001 154618
022 D000001 0
022 A000002 SEARS ROEBUCK ACCEPTANCE CORP.
022 B000002 51-0080535

022 C000002 53793
022 D000002 0
022 A000003 AMERICAN EXPRESS CREDIT CORP.
022 B000003 11-1988350
022 C000003 17820

PAGE 3

022 D000003 0
022 A000004 BAIRD, PATRICK & CO., INC.
022 B000004 13-2766571
022 C000004 7148
022 D000004 7154
022 A000005 CS FIRST BOSTON CORP.
022 B000005 13-5659485
022 C000005 9893
022 D000005 1763
022 A000006 GOLDMAN, SACHS & CO., INC.
022 B000006 13-5108880
022 C000006 3753
022 D000006 5288
022 A000007 DONALDSON, LUFKIN & JENRETTE SECURITIES CORP.
022 B000007 13-2741729
022 C000007 3834
022 D000007 5035
022 A000008 WECHSLER & CO., INC.
022 B000008 13-1944376
022 C000008 3646
022 D000008 3186
022 A000009 MORGAN STANLEY & CO., INC.
022 B000009 13-2655998
022 C000009 4945
022 D000009 0
022 A000010 MONTGOMERY SECURITIES
022 B000010 94-1701676
022 C000010 2492
022 D000010 1084
023 C000000 277035
023 D000000 30537
024 000000 Y
025 A000001 MORGAN STANLEY & CO., INC.
025 B000001 13-2655998
025 C000001 D
025 D000001 2175
025 D000002 0
025 D000003 0
025 D000004 0
025 D000005 0
025 D000006 0
025 D000007 0
025 D000008 0
025 D000009 0

025	D000010	0
025	D000011	0
025	D000012	0
025	D000013	0
025	D000014	0
025	D000015	0
025	D000016	0

PAGE 4

026	A000000	N
026	B000000	N
026	C000000	N
026	D000000	Y
026	E000000	N
026	F000000	N
026	G010000	N
026	G020000	N
026	H000000	N
027	000000	N
028	A010000	0
028	A020000	0
028	A030000	0
028	A040000	0
028	B010000	0
028	B020000	0
028	B030000	0
028	B040000	0
028	C010000	0
028	C020000	0
028	C030000	0
028	C040000	0
028	D010000	0
028	D020000	0
028	D030000	0
028	D040000	0
028	E010000	0
028	E020000	0
028	E030000	0
028	E040000	0
028	F010000	0
028	F020000	0
028	F030000	0
028	F040000	0
028	G010000	0
028	G020000	0
028	G030000	0
028	G040000	0
028	H000000	0
030	A000000	0
030	B000000	0.00
030	C000000	0.00

031 A000000 0
031 B000000 0
032 000000 0
033 000000 0
035 000000 0
036 B000000 0
038 000000 0
042 A000000 0
042 B000000 0

PAGE 5

042 C000000 0
042 D000000 0
042 E000000 0
042 F000000 0
042 G000000 0
042 H000000 0
043 000000 0
044 000000 0
045 000000 Y
046 000000 N
047 000000 Y
048 000000 0.000
048 A010000 100000
048 A020000 0.750
048 B010000 100000
048 B020000 0.500
048 C010000 0
048 C020000 0.000
048 D010000 0
048 D020000 0.000
048 E010000 0
048 E020000 0.000
048 F010000 0
048 F020000 0.000
048 G010000 0
048 G020000 0.000
048 H010000 0
048 H020000 0.000
048 I010000 0
048 I020000 0.000
048 J010000 0
048 J020000 0.000
048 K010000 0
048 K020000 0.000
049 000000 N
050 000000 N
051 000000 N
052 000000 N
053 A000000 N
054 A000000 Y

054 B000000 Y
054 C000000 Y
054 D000000 N
054 E000000 N
054 F000000 N
054 G000000 N
054 H000000 Y
054 I000000 N
054 J000000 Y
054 K000000 N
054 L000000 N

PAGE 6

054 M000000 Y
054 N000000 N
054 O000000 Y
055 A000000 N
055 B000000 N
056 000000 N
057 000000 N
058 A000000 N
059 000000 Y
060 A000000 Y
060 B000000 Y
061 000000

0

062 A000000 Y
062 B000000 0.0
062 C000000 0.0
062 D000000 0.0
062 E000000 0.0
062 F000000 0.0
062 G000000 0.0
062 H000000 0.0
062 I000000 2.2
062 J000000 0.0
062 K000000 0.0
062 L000000 0.0
062 M000000 0.0
062 N000000 0.0
062 O000000 0.0
062 P000000 66.5
062 Q000000 0.0
062 R000000 30.5
063 A000000 0
063 B000000 1.5
064 A000000 Y
064 B000000 N
066 A000000 Y
066 B000000 N
066 C000000 N
066 D000000 N

066 E000000 Y
066 F000000 N
066 G000000 N
067 000000 N
068 A000000 N
068 B000000 N
069 000000 N
070 A010000 Y
070 A020000 N
070 B010000 Y
070 B020000 N
070 C010000 Y
070 C020000 N

PAGE 7

070 D010000 Y
070 D020000 N
070 E010000 N
070 E020000 N
070 F010000 N
070 F020000 N
070 G010000 N
070 G020000 N
070 H010000 Y
070 H020000 N
070 I010000 N
070 I020000 N
070 J010000 Y
070 J020000 Y
070 K010000 Y
070 K020000 N
070 L010000 Y
070 L020000 Y
070 M010000 N
070 M020000 N
070 N010000 Y
070 N020000 N
070 O010000 Y
070 O020000 N
070 P010000 N
070 P020000 N
070 Q010000 N
070 Q020000 N
070 R010000 Y
070 R020000 N

071 A000000 49473
071 B000000 50509
071 C000000 70316
071 D000000 70
072 A000000 12
072 B000000 2373

072	C000000	1366
072	D000000	0
072	E000000	0
072	F000000	555
072	G000000	0
072	H000000	0
072	I000000	32
072	J000000	30
072	K000000	0
072	L000000	101
072	M000000	37
072	N000000	0
072	O000000	0
072	P000000	0
072	Q000000	0

PAGE 8

072	R000000	32
072	S000000	47
072	T000000	0
072	U000000	0
072	V000000	0
072	W000000	68
072	X000000	902
072	Y000000	0
072	Z000000	2837
072AA	000000	7060
072BB	000000	0
072CC0	10000	2247
072CC0	20000	0
072DD0	10000	1594
072DD0	20000	0
072EE	000000	1867
073	A010000	0.4720
073	A020000	0.0000
073	B000000	0.2880
073	C000000	0.0000
074	A000000	1934
074	B000000	0
074	C000000	1700
074	D000000	52169
074	E000000	15377
074	F000000	8528
074	G000000	0
074	H000000	0
074	I000000	0
074	J000000	1145
074	K000000	0
074	L000000	603
074	M000000	16
074	N000000	81472

074	O000000	3003
074	P000000	5
074	Q000000	0
074	R010000	0
074	R020000	0
074	R030000	0
074	R040000	69
074	S000000	0
074	T000000	78395
074	U010000	6644
074	U020000	0
074	V010000	11.80
074	V020000	0.00
074	W000000	0.0000
074	X000000	1562
074	Y000000	0
075	A000000	0

PAGE 9

075	B000000	73416
076	000000	9.88
077	A000000	Y
077	B000000	Y
077	Q010000	Y
077	Q020000	Y
077	Q030000	N
078	000000	N
080	A000000	ICI MUTUAL INSURANCE COMPANY
080	C000000	900
081	A000000	Y
081	B000000	2
082	A000000	Y
082	B000000	50
083	A000000	N
083	B000000	0
084	A000000	N
084	B000000	0
085	A000000	Y
085	B000000	N
086	A010000	0
086	A020000	0
086	B010000	0
086	B020000	0
086	C010000	0
086	C020000	0
086	D010000	0
086	D020000	0
086	E010000	0
086	E020000	0
086	F010000	0
086	F020000	0

087 A010000 COMMON STOCK
087 A020000 28-9074106
087 A030000 ECF
088 A000000 N
088 B000000 N
088 C000000 N
088 D000000 N
SIGNATURE GARY LEVINE
TITLE TREASURER

ELLSWORTH CONVERTIBLE GROWTH AND INCOME FUND, INC.

Interim Investment Advisory Agreement

August 11, 1996

DAVIS-DINSMORE MANAGEMENT COMPANY
65 Madison Avenue
Morristown, New Jersey 07960

Gentlemen:

The undersigned, Ellsworth Convertible Growth and Income Fund, Inc., a Maryland corporation (the "Company"), is an investment company registered under the Investment Company Act of 1940 (the "Act"). The Company is a diversified closed-end management investment company, and invests and reinvests its assets. The Company hereby engages you to act as its Investment Adviser and to supervise certain of its affairs, subject to the terms and conditions herein set forth.

Section 1. Advisory Services. The Company will from time to time furnish to you detailed statements of its investments and resources and information as to its investment needs, and will make available to you such financial reports, proxy statements, legal and other information relating to its investments as may be in the possession of the Company or available to it. You shall, at your expense, furnish to the Company, at the regular executive offices of the Company, continuing investment information, advice and recommendations with respect to the purchase and sale of investments and the making of commitments with respect thereto. In giving such advice and making such recommendations, you shall be guided by the Company's investment policy as delineated by the statements contained in the various documents filed with the Securities and Exchange Commission as such documents may from time to time be amended. You shall place at the disposal of the Company such statistical, research, analytical and technical services, information and reports as may reasonably be required. Your advice and recommendations with respect to the purchase and sale of investments and the making of investment commitments shall be submitted at the principal office of the Company to an officer or officers of the Company designated for that purpose by the Board of Directors of the Company. Such officer or officers shall have, subject to the control of the Company's Board of Directors, sole responsibility for investment decisions, and full authority to act upon your advice and recommendations and to place orders on behalf of the Company for the purchase and sale of portfolio securities. Reports of portfolio transactions shall be made monthly to the Board of Directors.

You have an obligation, in placing portfolio transactions for the Company, to obtain the most favorable price and execution available

under the circumstances and to keep true, accurate and current books and records containing sufficient detail to demonstrate compliance with this obligation. In determining the most favorable price and execution in each transaction the determinative factor is not necessarily the lowest possible commission cost. You should consider the full range and quality of the services of broker-dealers in placing brokerage including but not by way of limitation, the value of research provided as well as execution capability, commission rate, financial responsibility and responsiveness of the broker-dealer to you. Accordingly, to the extent provided by law, in executing portfolio transactions, you may pay a broker-dealer which provides brokerage and research services a commission in excess of that which another broker-dealer would have charged for the same transaction.

Section 2. Independent Contractor. You shall, for all purposes hereof, be deemed to be an independent contractor and shall have no authority to act for or represent the Company unless otherwise provided. No agreement, bid, offer, commitment, contract or other engagement entered into by you, whether on your behalf or whether purported to have been entered into on behalf of the Company, shall be binding upon the Company, and all acts authorized to be done by you under this contract shall be done by you as an independent contractor and not as agent.

Section 3. Expenses. To the extent described in this Section 3, you shall provide the Company with office space and facilities, pay the salaries of its executive officers and furnish clerical, bookkeeping and statistical services to the Company, and pay all expenses incurred by you in the performance of this contract.

The Company will pay all expenses incurred by it and not assumed by you including, but not by way of limitation, expenses in connection with its organization and with the offering of its securities; fees and expenses of its unaffiliated directors; legal and accounting fees, fees of its custodian, registrar, transfer agent; dividend disbursing agent and Automatic Dividend Investment Plan Agent; taxes, interest, brokerage commissions; and direct costs of postage, printing, copying and travel expenses attributable to the conduct of the business of the Company. In addition, the Company will pay the costs and expenses of its Treasurer's office, up to a maximum of \$25,000 per year, incurred in connection with its performance of certain services for the Company, including the valuation of securities owned by the Company, the preparation of financial statements and schedules of the Company's investments for inclusion in certain periodic reports to the Company's Board of Directors and to the Securities and Exchange Commission, the maintenance of files relating to the foregoing, and rent, personnel costs and other overhead expenses allocable to the aforementioned services. Subject to approval of the Company's directors who are not "interested persons" of either you or the Company, as defined by the Act, the Company may also pay the costs of any additional services performed in the future by the Treasurer's office in lieu of similar services previously performed by third party contractors at the

Company's expense.

Section 4. Compensation. As compensation for the services performed by you, the Company will pay you on the last day of each month a fee for such month computed at an annual rate of .75% of the first \$100,000,000 of the Company's average net assets and .50% of the Company's average net assets in excess of \$100,000,000. The annual fee will be reduced to the extent that the Company's ordinary expenses for the year (including your fee but excluding interest, local, state and federal taxes and extraordinary expenses as determined by the directors of the Company who are not "interested persons" of either you or the Company, as defined by the Act) exceed 1.5% of the first \$100,000,000, and 1% of the excess over \$100,000,000, of the average of the monthly net asset values of the Company for the twelve months of each fiscal year. You will promptly refund any amount theretofore paid in excess of the fee determined to be due for such year.

For the purpose of calculation of the fee, the net asset value for a month will be the average of the Company's net asset values at the close of business on the last business day on which the New York Stock Exchange is open in each week in the month. The determination of what constitutes an "extraordinary item" rather than an ordinary expense shall be conclusively determined by the directors of the Company who are not "interested persons" of either the Company or you, as defined by the Act.

If this contract shall become effective subsequent to the first day of a month, or shall terminate before the last day of a month, your compensation for such fraction of the monthly period shall be determined by applying the foregoing percentage to the net asset value of the Company during such fraction of a monthly period (which net asset value shall be determined in such reasonable manner as the Board of the Company shall deem appropriate) and in the proportion that such fraction of a monthly period bears to the entire month.

Compensation under this contract will begin to accrue on its effective date.

Section 5. Approval of Contract; Termination. At a meeting held on August 1, 1996, the Board of Directors of the Company, including a majority of the Independent Directors, approved this contract in accordance with Rule 15a-4 under the Act. This Agreement became effective as of August 11, 1996 and will remain in effect until the earlier of (i) 120 days after its effective date (or December 9, 1996) or (ii) shareholder approval of a new advisory agreement. The contract is terminable without penalty by either party on 60 days' written notice and will terminate automatically in the event of its assignment.

Except as specified above, this contract may not be amended, transferred, assigned, sold or in any other manner hypothecated or pledged; provided, however, that this limitation shall not prevent any

minor amendments to the contract which may be required by Federal or state regulatory bodies.

Section 6. Liability. You shall give the Company the benefit of your best judgment and efforts in rendering the services set forth herein, and the Company agrees as an inducement to the undertaking of these services by you that you shall not be liable for any error of judgment or for any loss suffered by the Company in connection with any matters to which this contract relates except that nothing herein contained shall be construed to protect you against any liability by reason of willful misfeasance, bad faith or gross negligence in the performance of your duties or reckless disregard of your obligations or duties under this contract.

Section 7. Multiple Capacities. Except to the extent necessary for performance of your obligations hereunder, nothing shall restrict your right or the right of any of your directors, officers or employees who may be directors, officers or employees of the Company to engage in any other business or to devote time and attention to the management or other aspects of any other business whether of a similar or dissimilar nature or to render services of any kind to any other corporation, firm, individual or association.

It is understood and agreed that the directors, officers, agents, employees and stockholders of the Company may be interested in your company as directors, officers, stockholders, employees, agents or otherwise, and that the directors, officers, agents, employees and stockholders of your company may be interested in the Company as a stockholder or otherwise.

Section 8. Concerning Applicable Provisions of Law, Etc. This contract shall be subject to all applicable provisions of law, including, but not limited to, the applicable provisions of the Act; and, to the extent that any provisions herein contained conflict with any such applicable provisions of law, the latter shall control.

The laws of the State of New York shall, except to the extent that any applicable provisions of some other law shall be controlling, govern the construction, validity and effect of this contract.

The headings preceding the text of the several sections herein are inserted solely for convenience of reference and shall not affect the meaning, construction or effect of this contract.

If the contract set forth herein is acceptable to you, please so indicate by executing the enclosed copy of this letter and returning the same to the undersigned, whereupon this letter shall constitute a binding contract between the parties hereto, subject to approval provided for in Section 5.

Yours very truly,

ELLSWORTH CONVERTIBLE GROWTH AND
INCOME FUND, INC.

By: /s/ Thomas H. Dinsmore
Thomas H. Dinsmore
(President)

(Corporate Seal)

Attest: /s/ Sigmund Levine
Sigmund Levine
(Secretary)

DAVIS-DINSMORE MANAGEMENT
COMPANY

By: /s/ Thomas H. Dinsmore
Thomas H. Dinsmore
(President)

Attest: /s/ Sigmund Levine
Sigmund Levine
(Secretary)

(Corporate Seal)

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, Section 30(f) of the Investment Company Act, and the regulations of the Securities and Exchange Commission thereunder require the Company's officers and directors and direct or indirect beneficial owners of more than 10% of the Company's Common Stock, as well as Davis-Dinsmore, its directors and officers and certain of its other affiliated persons (collectively, "Reporting Persons"), to file initial reports of ownership and changes in ownership with the Securities and Exchange Commission and the American Stock Exchange. Reporting Persons are required to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms received by it and written representations, the Company believes that all filing requirements applicable to the Reporting Persons have been complied with during the fiscal year ended September 30, 1996, except that (i) Davis-Dinsmore did not file a Form 3 upon commencement of its activities as investment adviser to the Company in June 1986 and did not separately report on Form 4s 2,000 shares of the Company it purchased in 1987 or 1,000 shares of the Company it purchased in 1994, as well as additional shares acquired upon reinvestment of dividends and distributions, until November 19, 1996 when it filed a Form 5 (which was 5 days late), and Mrs. Jean Dinsmore did not file a Form 3 in June, 1986 as a result of her position as a director of Davis-Dinsmore and did not separately report on Form 4, 231 shares of the Company she purchased in 1988, as well as additional shares acquired upon reinvestment of dividends and distributions, until November 11, 1996 when she filed a Form 3 and November 13, 1996 when she filed a Form 5, although in each case all such shares had previously been reported on Section 16(a) forms that had been filed by Mr. Ronald Dinsmore (now deceased), who at such dates was the primary owner of Davis-Dinsmore and the husband of Mrs. Jean Dinsmore; (ii) Mrs. Sally Finnican, who was appointed a director of Davis-Dinsmore on September 26, 1996, filed a Form 3 one month late; and (iii) Mr. H. Tucker Lake, who purchased an aggregate of 559 shares of the Company in June 1996, filed a Form 4 two days late.

Form N-SAR
For period ended 09/30/96
File Number 811-4656

This report is signed on behalf of the Registrant in the City of
Morristown and State of New Jersey on the 27th day of November, 1996.

Ellsworth Convertible Growth and
Income Fund, Inc.
Name of Registrant

By: /s/ Gary I. Levine
 Gary I. Levine
 Treasurer

Witness:/s/ Thomas H. Dinsmore
 Thomas H. Dinsmore
 Chairman

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Ellsworth Convertible Growth and Income Fund, Inc.:

In planning and performing our audit of the financial statements and financial highlights of Ellsworth Convertible Growth and Income Fund, Inc., for the year ended September 30, 1996, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and financial highlights and to comply with the requirements of Form N-SAR, not to provide assurance on the internal control structure.

The management of Ellsworth Convertible Growth and Income Fund, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. Two of the objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles.

Because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that it may become inadequate because of changes in conditions or that the effectiveness of the design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements and financial highlights being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures

for safeguarding securities, that we consider to be material weaknesses, as defined above, as of September 30, 1996.

This report is intended solely for the information and use of management of Ellsworth Convertible Growth and Income Fund, Inc. and the Securities and Exchange Commission.

COOPERS & LYBRAND L.L.P.

New York, New York
October 18, 1996