

REPLIGEN CORP
Form SC 13G/A
February 12, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 13G
(Rule 13d-102)

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b) (c) AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO 13d-2(b)
(Amendment No. 2)¹**

Repligen Corporation

(Name of Issuer)

Common Stock

(Title of Class of Securities)

759916109

(CUSIP Number)

December 31, 2006

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

¹ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1 NAME OF REPORTING PERSON:
Biotechnology Value Fund, L.P.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) x
 (b) o

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 496,975
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 496,975

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
496,975

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
1.6%

12 TYPE OF REPORTING PERSON*
PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:
Biotechnology Value Fund II, L.P.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) x
 (b) o

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 313,400
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 313,400

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
313,400

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.0%

12 TYPE OF REPORTING PERSON*
PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:
BVF Investments, L.L.C.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) x
 (b) o

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 1,072,700
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 1,072,700

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,072,700

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
3.5%

12 TYPE OF REPORTING PERSON*
OO

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:
Investment 10, L.L.C.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) x
 (b) o

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Illinois

NUMBER OF SHARES	5	SOLE VOTING POWER	0
BENEFICIALLY OWNED BY	6	SHARED VOTING POWER	118,400
EACH REPORTING PERSON	7	SOLE DISPOSITIVE POWER	0
WITH:	8	SHARED DISPOSITIVE POWER	118,400

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
118,400

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.4%

12 TYPE OF REPORTING PERSON*
OO

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:
BVF Partners L.P.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) x
 (b) o

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES	5	SOLE VOTING POWER	0
BENEFICIALLY OWNED BY	6	SHARED VOTING POWER	2,001,475
EACH REPORTING PERSON	7	SOLE DISPOSITIVE POWER	0
WITH:	8	SHARED DISPOSITIVE POWER	2,001,475

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,001,475

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
6.6%

12 TYPE OF REPORTING PERSON*
PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:**BVF Inc.**

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*(a) x(b) o**3** SEC USE ONLY**4** CITIZENSHIP OR PLACE OF ORGANIZATION**Delaware**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 2,001,475
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 2,001,475

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**2,001,475****10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* o**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**6.6%****12** TYPE OF REPORTING PERSON***IA, CO*****SEE INSTRUCTIONS BEFORE FILLING OUT!**

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ITEM 1(a). NAME OF ISSUER:
Repligen Corporation ("Repligen")

ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

41 Seylon Street
Building 1, Suite 100
Waltham, MA 02453

ITEM 2(a). NAME OF PERSON FILING:

This Amendment No. 2 to Schedule 13G is being filed on behalf of the following persons (the "Reporting Persons"):

- (i) Biotechnology Value Fund, L.P. ("BVF")
- (ii) Biotechnology Value Fund II, L.P. ("BVF2")
- (iii) BVF Investments, L.L.C. ("Investments")
- (iv) Investment 10, L.L.C. ("ILL10")
- (v) BVF Partners L.P. ("Partners")
- (vi) BVF Inc. ("BVF Inc.")

ITEM 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE:

The principal business office of the persons comprising the group filing this Amendment No. 2 to Schedule 13G is located at 900 North Michigan Avenue, Suite 1100, Chicago, Illinois, 60611.

ITEM 2(c). CITIZENSHIP:

BVF:	a Delaware limited partnership
BVF2:	a Delaware limited partnership
Investments:	a Delaware limited liability company
ILL10:	an Illinois limited liability company
Partners:	a Delaware limited partnership
BVF Inc.:	a Delaware corporation

ITEM 2(d). TITLE OF CLASS OF SECURITIES:

This Amendment No. 2 to Schedule 13G is being filed with respect to the common stock, par value \$.01 per share (the "Common Stock"), of Repligen. The Reporting Persons' percentage ownership of the Common Stock is based on 30,395,635 shares of the Common Stock being outstanding.

As of December 31, 2006, (i) BVF beneficially owned 496,975 shares of Common Stock; (ii) BVF2 beneficially owned 313,400 shares of Common Stock; (iii) Investments beneficially owned 1,072,700 shares of Common Stock; and (iv) ILL10 beneficially owned 118,400 shares of Common Stock. Beneficial ownership by Partners and BVF Inc. includes 2,001,475 shares of Common Stock.

ITEM 2(e). CUSIP Number:

759916109

CUSIP No. 759916109

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ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b), or 13d-2(b) or (c) CHECK WHETHER THE PERSON FILING IS: One of the following

Not applicable as this Amendment No. 2 to Schedule 13G is filed pursuant to Rule 13d-1(c).

ITEM 4. OWNERSHIP:

The information in items 1 and 5 through 11 on the cover pages (pp. 2 - 7) on this Amendment No. 2 to Schedule 13G is hereby incorporated by reference.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS:

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities check the following. o

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON:

Pursuant to the operating agreement of Investments, Partners is authorized, among other things, to invest the funds of Ziff Asset Management, L.P., the majority member of Investments, in shares of the Common Stock and to vote and exercise dispositive power over those shares of the Common Stock. Partners and BVF Inc. share voting and dispositive power over shares of the Common Stock beneficially owned by BVF, BVF2, Investments and those owned by ILL10, on whose behalf Partners acts as an investment manager and, accordingly, Partners and BVF Inc. have beneficial ownership of all of the shares of the Common Stock owned by such parties.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY:

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF A GROUP:

Not applicable.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP:

Not applicable.

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ITEM 10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 9, 2007

BIOTECHNOLOGY VALUE FUND, L.P.

By: BVF Partners L.P., its general partner

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert
President

BIOTECHNOLOGY VALUE FUND II, L.P.

By: BVF Partners L.P., its general partner

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert
President

BVF INVESTMENTS, L.L.C.

By: BVF Partners L.P., its manager

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert
President

INVESTMENT 10, L.L.C.

By: BVF Partners L.P., its attorney-in-fact

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert
President

BVF PARTNERS L.P.

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert
President

BVF INC.

By: /s/ MARK N. LAMPERT

Mark N. Lampert
President

48,818,174

Note receivable1 from ESOP – (Note 7)

(50,099,712)

Deficit accumulated during the development stage

(357,970)

Total stockholders' deficit

(159,283)

Total liabilities and stockholders' deficit

\$(18,848,789)

See accompanying notes to consolidated financial statements.

CITIZENS CAPITAL CORP.
(a development stage company)

CONSOLIDATED STATEMENTS OF OPERATIONS

	third Quarter Ended september 30,		Period from Inception (March 12, 1991) to September 30, 2011
	2011	2010	
SALES	\$ 0	\$ 0	\$ 177,937
COST OF SALES	0	0	37,401
OTHER INCOME/(LOSS)	-	-	(8,707)
GROSS MARGIN	0	0	131,829
GENERAL AND ADMINISTRATIVE EXPENSES	9,522	1,164	489,799
NET LOSS	\$ (9,522)	\$ (1,164	\$ (357,970)
NET LOSS PER SHARE (basic and diluted)	\$ *	\$ *	

* Less than \$.01 per share

See accompanying notes to consolidated financial statements.

CITIZENS CAPITAL CORP.
(a development stage company)

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

	Preferred Stock		Common Stock		Additional	Note	Accumulated	
	Shares	Amount	Shares	Amount	Paid-In Capital	Receivable from ESOP	Deficit	Totals
Common stock issued founder upon incorporation	-	\$-	300	\$3	\$(3) \$-	\$-	\$-
Common stock issued founder December 24, 1993	-	-	22,499,700	224,997	(224,997) -	-	-
Preferred stock issued November 1, 1994	1,000,000	1,000,000	-	-	(988,000	-	-	12,000
Contributions by stockholder at various dates prior to 1997	-	-	-	-	56,096	-	-	56,096
Cumulative net loss through December 31, 1996	-	-	-	-	-	-	(65,271) (65,271)
BALANCES, December 31, 1996	1,000,000	1,000,000	22,500,000	225,000	(1,156,904) -	(65,271) 2,825
Common stock issued for brand and service marks November 14, 1997	-	-	3,000,000	30,000	(30,000) -	-	-
Contributions by stockholder during 1997	-	-	-	-	9,307	-	-	9,307
Net loss for the year	-	-	-	-	-	-	(9,657) (9,657)

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BALANCES, December 31, 1997	1,000,000	1,000,000	25,500,000	255,000	(1,177,597)	-	(74,928)	2,475
Common stock issued to ESOP May 8, 1998	-	-	15,000,000	150,000	49,950,000	(50,100,000)	-	-
Contributions by stockholder during 1998	-	-	-	-	15,563	-	-	15,563
Net loss for the year	-	-	-	-	-	-	(17,353)	(17,353)
BALANCES, December 31, 1998	1,000,000	1,000,000	40,500,000	405,000	48,787,966	(50,100,000)	(92,281)	685
Contributions by stockholder during 1999	-	-	-	-	17,319	-	-	17,319
Net loss for the year	-	-	-	-	-	-	(18,203)	(18,203)
BALANCES, December 31, 1999	1,000,000	1,000,000	40,500,000	405,000	48,805,285	(50,100,000)	(110,484)	(199)
Common stock issued and options for services	-	-	10,000	100	30,000	-	-	30,100
Contribution by stockholder during 2000	-	-	-	-	1,623	-	-	1,623
Net loss for year	-	-	-	-	-	-	(87,234)	(87,234)
BALANCES, December 31, 2000	1,000,000	1,000,000	40,510,000	405,100	48,836,908	(50,100,000)	(197,718)	(55,710)
Common stock issued to Joint Venture Partner January 5, 2001	-	-	1,500,000	15,000	(15,000)	-	-	-

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See accompanying notes to consolidated financial statements.

CITIZENS CAPITAL CORP.
(a development stage company)

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) (CONTINUED)

Common stock issued for services January 25, 2001	-	-	1,012,500	10,125	-	-	-	10,125
Common stock issued to SCOR Brands subsidiary August 1, 2001	-	-	5,000,000	50,000	(50,000)	-	-	-
Principal Repayment by ESOP of Note Receivable during 2001	-	-	-	-	-	170	-	170
Net loss for year	-	-	-	-	-	-	(63,351)	(63,351)
BALANCES, December 31, 2001	1,000,000	1,000,000	48,022,500	480,225	48,771,908	(50,099,830)	(261,069)	(108,766)
Net loss for year	-	-	-	-	-	-	(872)	(872)
BALANCES, December 31, 2002	1,000,000	1,000,000	48,022,500	480,225	48,771,908	(50,099,830)	(261,941)	(109,638)
Net loss for year	-	-	-	-	-	-	(10,721)	(10,721)
BALANCES, December 31, 2003	1,000,000	1,000,000	48,022,500	480,225	48,771,908	(50,099,830)	(272,662)	(120,359)
Contribution by stockholder during 2004	-	-	-	-	2,159	-	-	2,159
	-	-	-	-	-	118	-	118

Principal
Repayment by
ESOP
of Note
Receivable
during 2004

Net loss for year	-	-	-	-	-	-	(3,359)	(3,359)
BALANCES, December 31, 2004	1,000,000	1,000,000	48,022,500	480,225	48,774,067	(50,099,712)	(276,021)	(121,441)

Contribution by stockholder during 2005					18,929			18,929
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Net loss for year	-	-	-	-	-	-	(24,066)	(24,066)
BALANCES, December 31, 2005	1,000,000	1,000,000	48,022,500	480,225	48,792,996	(50,099,712)	(300,087)	(126,578)

Contribution by stockholder during 2006					7,170			7,170
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Net loss for year	-	-	-	-	-	-	(10,215)	(10,215)
BALANCES, December 31, 2006	1,000,000	1,000,000	48,022,500	480,225	48,800,166	(50,099,712)	(310,302)	(129,623)

Contribution by stockholder during 2007					2,897			2,897
--	--	--	--	--	-------	--	--	-------

Net loss for year	-	-	-	-	-	-	(7,589)	(7,589)
BALANCES, December 31, 2007	1,000,000	1,000,000	48,022,500	480,225	48,803,063	(50,099,712)	(317,891)	(134,315)

Contribution by stockholder during 2008					4,056			4,056
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Net loss for year	-	-	-	-	-	-	(9,465)	(9,465)
BALANCES, December 31, 2008	1,000,000	1,000,000	48,022,500	480,225	48,807,119	(50,099,712)	(327,356)	(139,724)

Contribution by stockholder during 2009					4,934			4,934
--	--	--	--	--	-------	--	--	-------

Net loss for year	-	-	-	-	-	-	(14,654)	(14,654)
BALANCES, December 31, 2009	1,000,000	1,000,000	48,022,500	480,225	48,812,053	(50,099,712)	(342,010)	(149,444)

See accompanying notes to consolidated financial statements.

CITIZENS CAPITAL CORP.
(a development stage company)

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) (CONTINUED)

Contribution by stockholder during 2010						4,190		4,190
Net loss for year	-	-	-	-	-	-	(5,504)	(5,504)
BALANCES, December 31, 2010	1,000,000	1,000,000	48,022,500	\$480,225	\$48,816,243	\$(50,099,712)	\$(347,514)	\$(150,758)
Contribution by stockholder during first quarter 2011						359		359
Net loss for first quarter 2011	-	-	-	-	-	-	(359)	(359)
BALANCES, March 31, 2011	1,000,000	1,000,000	48,022,500	\$480,225	\$48,816,602	\$(50,099,712)	\$(347,873)	\$(150,758)
Contribution by stockholder during third quarter 2011						575		575
Net loss for third quarter 2011							(575)	(575)
BALANCES, June 30, 2011	1,000,000	1,000,000	48,022,500	\$480,225	\$48,817,177	\$(50,099,712)	\$(348,448)	\$(150,758)
Contribution by stockholder during third quarter 2011						997		997
							(9,522)	(9,522)

Net loss
for third
quarter 2011
BALANCES,
September

30, 2011	1,000,000	1,000,000	48,022,500	\$480,225	\$48,818,174	\$(50,099,712)	\$(357,970)	\$(159,283)
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See accompanying notes to consolidated financial statements.

CITIZENS CAPITAL CORP.
(a development stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarter Ended SEPTEMBER 30, 2011	Quarter Ended SEPTEMBER 30, 2010	Period from Inception (March 12, 1991) to September 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income/(loss)	\$ (9,522)	\$ (1,164)	\$ (357,970)
Adjustments to reconcile net loss to cash used by operating activities:			
Expenses paid by stockholder	997	1,164	141,349
Services paid for with stock and options			40,225
Depreciation and amortization			27,408
Amortization of Series 2010A; 144A bond discount			-
Loss on sale/disposal of equipment			20,242
Loss on sale/disposal of intangible assets - brands, rights, services, contracts			20,250
Changes in assets/liabilities			
(Increase) decrease in accounts receivable		13	-
(Increase) decrease in prepaid expenses			-
(Increase) decrease in intangible assets – brands, rights, services, contracts	-	-	(60,400)
(Increase) decrease in intangible assets – Goodwill	-	-	(4,760)
(Increase) decrease in other assets - Note Receivable ² from ESOP	-	-	(18,863,700)
Increase (decrease) in accounts payable	8,525	-	9,852
Increase in credit card cash advances	-	-	38,418
Increase (decrease) in interest payable – Credit card cash advances	-	-	52,678
Increase (decrease) in interest payable – Stockholders’ Loans			8,440
Net cash (provided) used by operating activities	-	13	(18,927,968)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment	-	-	(34,564)
Acquisition of common stock for intangible assets	-	-	(25,010)
Net cash used by investing activities	-	-	(59,574)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Sale of stock and contribution by stockholder	-	-	16,825
Stockholders Loans	-	-	26,714
Stockholders advances	-	-	8,270
Proceeds from repayment of Note Recv ¹ . by ESOP	-	-	288
Series 2010A; 7% percent 144A; bond issuance	-	-	30,000,000

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Re-marketing discount on Series 2010A; 7% percent 144A; bond issuance	-	-	(11,136,300)
Net cash provided by financing activities	-	-	18,915,797
NET INCREASE/DECREASE IN CASH		13	(71,745)
CASH, beginning of period	(71,745)	(71,758)	-
CASH, end of period	\$ (71,745)	\$ (71,745)	\$ (71,745)
SUPPLEMENTAL INFORMATION -			
Interest paid during year	\$ -	\$ -	

See accompanying notes to consolidated financial statements.

CITIZENS CAPITAL CORP.
(a development stage company)

1. General and Summary of Significant Accounting Policies

The Issuer's management selects accounting principles generally accepted in the United States of America and adopts methods for their application. The application of accounting principles requires the estimating, matching and timing of revenue and expense. The accounting policies used conform to generally accepted accounting principles which have been consistently applied in the preparation of these financial statements. The financial statements and notes are representations of the Issuer's management which is responsible for their integrity and objectivity. Management further acknowledges that is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Issuer's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Issuer for the respective periods being presented.

Company Background

Citizens Capital Corp. (the "Company") is a development stage holding company with plans to target, evaluate and pursue specific acquisition candidates or joint venture and/or internally develop operating entities, assets and/or marketing rights which provide the Issuer with an initial entry into new markets or serve as complementary additions to existing operations, assets and/or products.

Currently, the Issuer's plans contemplate operating in the following four market segments: 1) commercial and multi-family residential real estate investment and development; 2) specialty news, broadband television broadcasting; 3) the design, marketing and distribution of branded athletic shoes and apparel and 4) professional sports entertainment and broadcasting, through its four wholly owned subsidiaries: Landrush Realty Corporation ("Landrush" - 97%); Media Force Sports & Entertainment, Inc. ("Media Force" - 97%); SCOR Brands, Inc. ("SCOR" - 97%) and DLFA Industries, Inc. ("Industries" - 100%). Operations since inception have primarily included expenditures related to development of the Issuer's proposed business ventures. In 2000, the Issuer acquired the assets of a printing business for integration into its Media Force unit and the Issuer primarily through this unit began to generate revenues.

On March 19, 1999, pursuant to the Exchange Act of 1934, as amended, the Registrant filed a Form 10 registration statement and thereby registered with the United States Securities and Exchange Commission, 39,500,000 shares of its Class A; common stock for secondary market trading. Said Form 10 registration statement became effective on or about May 16, 1999. The 39,500,000 common shares included 15,000,000 common shares initially held by the Registrant's ESOP Trust (see Note 7).

On January 5, 2001, the Issuer finalized a joint venture, research and development agreement with Far Reach Technologies Inc. (the "JV Group") for the research and development of broadband video broadcast technologies and the development of a multi-channel, direct to home, broadcast TV platform to be deployed over existing internet protocol (IP) based broadband networks.

On January 1, 2008, the Issuer's Media Force unit completed transformation and conversion of its Black Financial News® magazine publication into the Black Financial News® Network (BFNN) video based website, a digital, financial and general news, information and advertising platform located at the following Company owned, internet domain: bfnnetwork.com.

On February 5, 2008, the Issuer officially completed the internal development of the Dream League Football Association (DLFA), to include the design of its Dream League Football Association, league seal, the league brand and team logos for each of its twenty (20) initial teams.

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The Issuer, through each of its twenty (20) DLFA teams, holds the exclusive television and radio broadcast rights, product manufacturing, product marketing, product merchandising and product distribution rights for each of its twenty (20) uniquely branded teams and team logos. Each the Issuer's named DLFA teams as they pertain to their team brands and current cities of operation, respectively, are listed as follows:

Stampede (Austin, TX); Rustlers (Dallas, TX); Drillers (Houston, TX); Warriors (Oklahoma City, OK); River Wranglers (San Antonio, TX); Blackjacks (Las Vegas, NV); Stars (Los Angeles, CA); Mountaineers (Salt Lake City, UT); Pioneers (Portland, OR); Silicons (San Jose, CA); Gamblers (Newark, NJ); Gotham Gladiators (New York, NY); Liberty (Philadelphia, PA); Rhinos (Toronto, CN); Vultures (Richmond, VA); Bulldogs (Chicago, IL); Condors (Columbus, OH); Roaddogs (Detroit, MI); Stallions (Louisville, KY); Cheezheads (Milwaukee, WI).

On March 15, 2009, the Issuer's Media Force unit completed the internal development of its Black Financial News TV Network®, a CNN (Cable News Network) styled, 24/7, daily, broadband video delivered, financial, business and general news broadcast center whose content is targeted towards the global, black consumer market. Black Financial News TV Network® content is delivered both direct to home, via television set top box and to the personal computer (PC) and transmitted over traditional digital terrestrial, as well as, next generation Internet Protocol (IP) networks through Over the top (OTT) video service providers, and to the subscribers of various multi-channel video, pay-television distribution system operators.

On December 28, 2009, the Issuer entered into a Sell/Purchase Agreement (the "Purchase Agreement") with DLFA Industries Inc. ("Industries"), a newly formed entity organized under the Laws of the State of Texas. Pursuant to the terms of the Purchase Agreement, the Issuer agreed to sale, to Industries, all of the tangible and intangible assets (the "Assets") of the Dream League Football Association, professional football league (the "League") in exchange for the issuance of an aggregate of 250,000,000 shares of Industries' common stock to the Issuer @ \$0.20 per share or an aggregate common stock share value of \$50,000,000, as payment in full, thereby causing Industries to hold 250,100,000 Industries common shares and thence become a 100% percent, wholly-owned subsidiary of the Issuer as of December 31, 2009. Pursuant to a Form D; Notice of Securities Sales filed on January 7, 2010 with the Securities and Exchange Commission (File Number: 021-137524), Industries common stock, issued to the Issuer, were allocated in the following amounts and price per share pursuant to Regulation D; Rule 230.504 and 230.506 respectively, of the Securities Act of 1933, as amended.

1) 5,000,000 shares of DLFA Industries Inc. common stock @ \$0.20 per share pursuant to Rule 230.504.

2) 245,000,000 shares of DLFA Industries Inc. common stock @ \$0.20 per share pursuant to Rule 230.506.

For the period ended December 31, 2009, there was no public market value for Industries' common stock. As such, the Issuer accounted for its aggregate 250,100,000 common share equity interest in Industries on the basis of the \$0.0001 par value of Industries' common stock at the close of the December 28, 2009 transaction between the Issuer and Industries. Thereby, for the period ended December 31, 2009, the Issuer recorded a value of \$25,010 under the "Other Assets – Investments" section of its balance sheet representing its common stock, equity interest investment in Industries. For the period ended September 30, 2011, there was no public market value for Industries' common stock.

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On Oct 21, 2010, the Issuer's Black Financial News TV Network entered into a 10 year content licensing and distribution agreement with Memphis, Tennessee based Vivicast Media, LLC. ("Vivicast"). Vivicast is in the business of licensing television networks to third-party, multi-channel video pay-television distribution system owners that use CATV, SMATV, MMDS and alternative technology systems for distribution of television networks to their respective subscribers.

On Oct 21, 2010, the Issuer's DLFA Industries Inc. unit's Dream League TV Network entered into a 10 year content licensing and distribution agreement with Memphis, Tennessee based Vivicast Media, LLC. ("Vivicast"). Vivicast is in the business of licensing television networks to third-party, multi-channel video pay-television distribution system owners that use CATV, SMATV, MMDS and alternative technology systems for distribution of television networks to their respective subscribers.

Principles of Consolidation

The consolidated financial statements include the accounts of the Issuer and its subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation.

Property and Equipment

Property and equipment is carried at cost less accumulated depreciation. Significant improvements and additions are capitalized. Maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight-line method over the useful lives of the assets, which range from five to seven years. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated and any profit or loss on disposition is reflected in income.

Due to a general decline in the commercial printing business combined with the introduction of new, self service consumer, as well as, new, in house business printing technologies, the Issuer's commercial printing operation experienced multiple quarters of un-profitability, As such, the Issuer made the strategic decision to discontinue its Media Force unit's commercial printing operation effective the period ended December 31, 2003 resulting in the retirement and elimination of all related equipment at the depreciated value of \$20,242. As such, the Issuer experienced a loss of \$10,758 related to the disposition of said equipment which was reflected and charged to the Issuer's income for the period ended December 31, 2003.

While the Issuer elected to discontinue its Media Force unit's in house, commercial printing operation, the Issuer's Media Force unit continues to produce, on an outsource basis going forward, its Black Financial News® magazine publication. Further, the Issuer's Media Force unit continues to offered and provide several commercial printing products and services, to existing customers, on an outsourced, brokered basis for the period ended December 31, 2003.

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Loss Per Share

Loss per share is calculated in accordance with Statement of Financial Accounting Standards No. 128 (“SFAS 128”), Earnings Per Share. Basic income (loss) per share is computed based upon the weighted average number of common shares outstanding during the period. Diluted income (loss) per share takes common equivalent shares into consideration. However, common equivalent shares are not considered if their effect is antidilutive. Common stock equivalents consist of outstanding stock options and warrants. Common stock equivalents are assumed to be exercised with the related proceeds used to repurchase outstanding shares except when the effect would be antidilutive. The Issuer had 400,000 common equivalent shares which were antidilutive in all periods presented.

The weighted average number of shares outstanding used in the loss per share computation was 48,022,500 and 48,022,500 for the quarter ended September 30, 2011.

Income Taxes

The Issuer accounts for income taxes under the liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Issuer had deferred tax assets, resulting from net operating loss carry forwards (NOL) for tax which were fully reserved. The Issuer had no material deferred tax liabilities. The Issuer’s NOL at December 31, 2010 was approximately \$260,635 and it expires through the year 2020.

Statement of Cash Flows

For purposes of the statements of cash flows, the Issuer considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of the Issuer’s consolidated financial statements in conformity with generally accepted accounting principles requires the Issuer’s management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

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2. Plan of Operation for the 2011 Fiscal Year

The Issuer's plan of operation for the 2011 fiscal year is to: (1) acquire certain studio and broadcast equipment necessary for the fulfillment of its 10 year content licensing and distribution agreement between and amongst the Issuer's Media Force unit's BFNN TV Network® and Vivicast Media, LLC.

The Issuer intends to acquire certain studio and broadcast equipment necessary for the fulfillment of its 10 year content licensing and distribution agreement between and amongst the Issuer's DLFA Industries' unit's Dream League TV Network and Vivicast Media, LLC. The Dream League TV Network serves as a game broadcast platform for the Dream League Football Association, a professional football league structured to have twenty (20) teams located in twenty (20) of the top consumer markets in North America.

The Issuer intends to acquire certain IPTV broadcast equipment necessary for the implementation and operation of its 100+ channels, pay television programming and distribution platform. Each of the Issuer's Media Force unit's current and future programming networks intends to also separately distribute their content from its captive market programming and distribution platform.

The Issuer's SCOR Brands unit has completed development of its SCOR Brand footwear and has previously introduced said branded footwear products into the consumer market place. The Issuer intends to allocate funds to its SCOR unit necessary to resume production and further the marketing and distribution of its SCOR branded footwear products into the consumer market place and (2) continue to target, evaluate and pursue suitable mergers and/or acquisition candidates. The Issuer's cash requirements have been funded to date by its principal stockholder. The Issuer projects an annual requirement of approximately \$1,000,000 as an available acquisition funding line to be utilized to target, evaluate and pursue and consummate potential acquisition candidates. The Issuer intends to attempt to borrow these funds from affiliates of the Issuer and third party lenders, as well as, access both the public and private debt and equity capital markets, through its ESOP Trust, when and where available. Should the Issuer be unable to borrow these funds, it may be unable to fully implement its business plan, as well as, its plan of acquisition. Regardless of whether any funding is received, the Issuer's major stockholder has committed to provide funding required which allows the Issuer to continue to pursue its business objectives.

3. Acquisition

In July 2000, the Issuer acquired the assets and operations of a printing business for \$31,000 for integration with its Media Force unit. The acquisition was accounted for as a purchase and the operations are consolidated with those of the Issuer beginning July 1, 2000.

Due to a general decline in the commercial printing business subsequent to the terrorist attacks of September 11, 2001 and the corresponding softening of the United States economy, combined with the introduction of new, self service consumer, as well as, new, in house business printing technologies, the Issuer's commercial printing operation experienced multiple quarters of un-profitability. As such, the Issuer made the strategic decision to re-deploy its resources and discontinue its Media Force unit's commercial printing operation effective the period ended December 31, 2003.

For the period ended September 30, 2011, the Issuer had not consummated any business acquisition nor had any pending acquisition transactions under definitive purchase agreement.

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4. Credit Card Cash Advances

The Issuer, through its Landrush Realty Corporation subsidiary unit, has cash advances from a credit card outstanding at December 31, 2000 of \$38,418. These advances bear interest at 19.8% per annum as of December 31, 2000. As of December 31, 2000, the Issuer discontinued active use and/or further cash advances from said credit card as a funding source. However, said credit card balance outstanding shall continue to accrue annual interest payable at 19.8 per annum. For the period ended December 31, 2003, interest payable on the credit card principal balance outstanding was \$26,322.

On November 22, 2004, the Issuer's principal officer reached agreement with credit card provider to restructure the annual interest rate charge, charged on the annual outstanding card balance, from 19.8% per annum to 5% per annum and convert the repayment term of said current outstanding credit card balance to a 10 year term with a maturity date of November 22, 2014. Per the terms of the agreement, the Issuer may repay the full outstanding credit card balance, with accrued interest, at any time prior to the maturity date of November 22, 2014. As of its period ended December 31, 2004, the Issuer re-classified and recorded the existing outstanding credit card balance, with accrued interest payable, as a long term liability of the Issuer. Total Credit Card loan Principal and Accrued Interest Due as of the period ended the period ended September 30, 2011 is: \$91,096.

5.0% Credit Card Loan; due November 22, 2014; payable in full at maturity with accrued interest.	\$38,418
Credit Card; Interest Payable for the Period ended December 31, 2010.	\$ 4,338
Credit Card; Accrued Interest Payable through the Period ended December 31, 2010.	52,678
Total Principal and Accrued Interest Due - as of the period ended September 30, 2011.	\$91,096

5. Advances from Stockholder

The Issuer received advances totaling \$8,720 from the major stockholder in 2000. These advances bear no interest and are expected to be repaid from available working capital of the Issuer. For the period ended September 30, 2011 advances from stockholder outstanding was \$8,720.

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6. Stockholders' Loans

The Issuer has received unsecured loans from stockholders in the following original dates and amounts; interest rates and maturity dates:

8.50% loan dated May 22, 2000, due June 2003, payable in monthly installments of \$616 beginning June 2000.	\$ 19,514
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8.50% loan dated June 28, 2000, due July 2002, payable in monthly installments of \$327 beginning August 2000.	7,200
	\$ 26,714

Aggregate maturities or stockholder loans at December 31, 2000 are due in future years as follows:

2001	\$ 14,653
2002	9,045
2003	3,016
	\$ 26,714

For the period ended December 31, 2002, all loans from stockholder remained outstanding. As such, stockholder agreed to combined the outstanding principal balance of all outstanding loans and thereby extend the maturity date of said loans currently due and payable to the stockholder until 2014, at an annual interest rate of 4.0%. Therefore, stockholder loans and any accrued interest thereof, was re-classified and recorded for the period as a long term liabilities of the Issuer. For the period ended the period ended September 30, 2011, stockholder loans outstanding, including accrued interest, was \$35,154.

4.0% loan dated December 31, 2003; due December 31, 2014; payable in full at maturity with accrued interest	\$ 26,714
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Stockholder loan; Interest Payable for the Period ended December 31, 2010.	\$ 1,352
Accrued Interest Payable through the Period ended December 31, 2010.	8,440

Total Principal and Accrued Interest Due - as of the period ended September 30, 2011.	\$ 35,154
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7. Employee Stock Ownership Plan and Note Receivable1

The Issuer has an Employees Stock Ownership Plan (“ESOP” or the “Plan”), which covers all employees with at least a year of consecutive service that are not covered by a collective bargaining agreement. The Plan provides for an allocation of Company stock to all, but not only some, of each participant’s account of the greater of 15% or the maximum percentage allowable of participants’ eligible compensation. The Issuer, at its sole option and discretion may discontinue the ESOP and/or at its sole option and discretion, implement separate and/or additional employee stock ownership and/or stock purchase programs. No shares have been allocated as of December 31, 2008 as there has been no compensation to employees.

On May 11, 1998 the Issuer sold 15,000,000 shares of its Class A common stock directly to the ESOP Trust at \$3.34 per share in exchange for a five year, 14.5%, \$50,100,000 promissory note. The promissory note (ESOP Note Receivable1) was issued together with a security agreement fully collateralized by 15,000,000 shares of the Issuer’s common stock held by the ESOP Trust. The promissory note has a “liquidating call provision” which may be invoked by the Issuer or the note holder. The liquidating call provision gives the Issuer or the note holder the “demand right” to request that up to 15,000,000 shares of Citizens Capital Corp. common stock, held by the ESOP Trust, be liquidated to pay down the outstanding principal amount of the note and any accrued principal and interest thereof, any time the common shares are selling in the public or private capital marketplace at or above \$5.00 per share. The initial face value of the promissory note has been recorded in the stockholders’ equity section of the accompanying balance sheet.

On November 14, 2001 and November 15, 2001 respectively, the ESOP Plan Trust sold in the open market, 10,000 shares on each day, of its equity interest in the Issuer’s Class A; common stock, held by the ESOP Trust for aggregate net proceeds of \$169.97. Proceeds from said stock sale, were utilized by the ESOP Trust to re-pay and reduce the principal amount of its outstanding Note Receivable1, held by the Issuer.

On May 13, 2004, the ESOP Plan Trust sold, in the open market, 1,500,000 shares of its equity interest in the Issuer’s Class A; common stock, held by the ESOP Trust for aggregate net proceeds of \$117.49. Proceeds from said stock sale, were utilized by the ESOP Trust to re-pay and reduce the principal amount of its outstanding Note Receivable1, held by the Issuer.

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Shares of the Issuer's Class A; common stock sold by the ESOP Plan Trust and applied to the re-payment of the outstanding balance of the Note Receivable1 due from ESOP Trust as of the period ended September 30, 2011 were as follows:

Sale Date	Shares Sold	Sale Proceeds	Amount applied Against ESOP Note Receivable1 Principal
11/14/2001	10,000	\$ 84.98	\$ 84.98
11/15/2001	10,000	\$ 84.99	\$ 84.99
05/13/2004	1,500,000	\$ 117.49	\$ 117.49
			Total \$ 287.46

For the period ended the period ended September 30, 2011, ESOP Note Receivable1 balance outstanding was \$50,099,712.

8. Stockholders' Equity

Preferred Stock

On November 1, 1994, the Issuer issued 1,000,000 shares of its Class A, 7 1/4%, \$1.00 cumulative preferred stock. Each share of preferred stock includes a warrant which entitles the holder to purchase one share of common stock at \$0.01 per share.

The holders of the preferred stock are entitled to receive out of legally available funds of the Issuer, dividends at an annual rate of \$0.0725 per share or \$72,500 annually, payable quarterly in arrears, on a cumulative basis. Dividends on the preferred stock have not been declared or paid and have not been accrued in the accompanying financial statements because the Issuer has no surplus from which dividends can legally be paid.

The preferred stock was initially scheduled to be repaid on December 31, 1999. However, as permitted by the terms of the preferred stock, in excess of 66-2/3% of the holders of the preferred stock elected to eliminate any repayment requirement. The Issuer may, at its election, redeem the preferred stock in whole, but not in part, at a 7-1/4% premium, so long as the cumulative dividends have been declared and paid.

The Issuer has authorized but unissued, 4,000,000 shares of preferred stock which may be issued in such series and preferences as determined by the Issuer's board of directors.

Cumulative dividends in arrears as of the period ended September 30, 2011, are \$1,182,914.

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Common Stock

At December 31, 1996, the Issuer had 22,500,000 Class A, no par, \$0.01 stated value shares issued and outstanding.

On November 14, 1997, the Issuer issued 3,000,000 additional shares of its Class A, no par, \$0.01 stated value common stock, to three institutional investors in exchange for the full conveyance of production, marketing, distribution and trade rights to certain brand and service marks.

On May 3, 1998, the Issuer voted to split its shares of Class A common stock then outstanding on a 3 for 1 basis. The aggregate number of the Class A; no par value; common shares outstanding after the split were 25,500,000. All information in the accompanying financial statements and notes is presented as if the split occurred at the date of incorporation.

On May 8, 1998, the Issuer sold 15,000,000 shares of Class A, no par, \$0.01 stated value common stock directly to its ESOP at \$3.34 per share (see Note 7).

On January 5, 2001, the Issuer finalized a joint venture, research and development agreement with Far Reach Technologies Inc. (the "JV Group") for the research and development of broadband video broadcast technologies and the development of a multi-channel, direct to home, broadcast TV platform to be deployed over existing internet protocol (IP) networks. In order to facilitate the acquisition of certain assets and equipment, essential operational personnel and working capital, the Issuer agreed to issue 1,500,000 shares of its common stock to the JV Group in exchange for certain future master development rights and management control of the current JV Group or any of its future successors, if any.

On January 25, 2001, the Issuer entered into a website design, marketing and E-Business development services agreement related to the development and implementation of the Issuer's corporate presence and E-Business relationships on the world wide web. In exchange for the delivery and full execution and implementation of said design, marketing, development and E-Business services, the Issuer agreed to issue 1,012,500 shares of its common stock.

In order to facilitate its growth and working capital requirements, the Issuer entered into a funding agreement with its SCOR Brands Inc. ("SCOR") branded footwear subsidiary unit on August 1, 2001. Pursuant to said agreement, the Issuer agreed to issue 5,000,000 shares of its common stock to SCOR in exchange for 10,000,000 shares of SCOR common stock. To facilitate the private placement, pre-registration and pre-public market movement of SCOR common shares between and amongst qualified institutional investors, 30,000,000 aggregate shares of the Issuer's SCOR unit common stock outstanding were reclassified as a 144A security (CUSIP #784026106) and received a NASD portal market designation for secondary market trading of the security on November 8, 2001. The Issuer holds 29,233,334 shares of SCOR Brands, Inc.; 144A common stock or 97.4% of said common stock outstanding.

As of the period ended September 30, 2011, the Issuer had a total of 100,000,000 shares of its Class A, no par, \$0.01 stated value common stock authorized with an aggregate total of 48,022,500 shares of its Class A, no par, \$0.01 stated value common stock issued and outstanding.

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Stock Options

Effective December 1, 1998, the Issuer adopted a stock option plan, which provides for a maximum of 2,000,000 shares to be issued under the plan. The Issuer granted options to four directors on December 1, 1998 to acquire a total of 400,000 shares of common stock. The exercise price is \$1.50 per share. The options may be exercised based on the following schedule: 25% vest immediately, 25% vest after two years, 25% vest after three years, and 25% vest after four years. Options of 100,000 shares of common stock were canceled during fiscal year 2000 while options for 100,000 common shares under the same option plan were granted to a third party consultant on July 1, 2000. At December 31, 2000, 175,000 options are exercisable. No options had been exercised as of December 31, 2000. The Issuer has estimated the fair value of the options issued in 1998 to be immaterial at the date of grant. The Issuer estimated the fair value of the options granted in 2000 to be approximately \$97,000 at the date of grant. The Issuer recorded an expense of \$30,100 for the effect of these options for the year ended December 31, 2000.

For the period ended September 30, 2011, the Issuer did not grant nor issue any additional stock options.

9. Commitment

The Issuer has entered into a lease agreement for the printing shop operations. The lease expires in 2003 and provides for the following minimum lease payments:

2001	\$24,000
2002	24,000
2003	10,000
	\$58,000

The Issuer's lease agreement expired effective December 31, 2003. As such, subsequent to the period ended December 31, 2003, the Issuer no longer recognized nor notated the value of said lease commitment on its balance sheet as a potential long term liability. At the expiration of said lease agreement for the period ended December 31, 2003, the Issuer leases its administration office accommodations on a month to month basis. As of the period ended September 30, 2011, the Issuer has no current lease commitment for which it records a contingent liability.

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10. OTHER ASSETS - INVESTMENTS

On December 28, 2009, the Issuer entered into a Sell/Purchase Agreement (the "Purchase Agreement") with DLFA Industries Inc. ("Industries"), a newly formed entity organized under the Laws of the State of Texas. Pursuant to the terms of the Purchase Agreement, the Issuer agreed to sell, to Industries, all of the tangible and intangible assets (the "Assets") of the Dream League Football Association, professional football league (the "League") in exchange for the issuance of an aggregate of 250,000,000 shares of Industries' common stock to the Issuer @ \$0.20 per share or an aggregate common stock share value of \$50,000,000, as payment in full, thereby causing Industries to hold 250,100,000 Industries common shares and thence become a 100% percent, wholly-owned subsidiary of the Issuer as of December 31, 2009. Pursuant to a Form D; Notice of Securities Sales notice filed on January 7, 2010 with the Securities and Exchange Commission, Industries common stock, issued to the Issuer, were allocated in the following amounts and price per share pursuant to Regulation D; Rule 230.504 and 230.506 respectively, of the Securities Act of 1933, as amended.

- 1) 5,000,000 shares of DLFA Industries Inc. common stock @ \$0.20 per share pursuant to Rule 230.504.
- 2) 245,000,000 shares of DLFA Industries Inc. common stock @ \$0.20 per share pursuant to Rule 230.506.

For the period ended December 31, 2009, there was no public market value for Industries' common stock. As such, the Issuer accounted for its aggregate 250,100,000 common share equity interest in Industries on the basis of the \$0.0001 par value of Industries' common stock at the close of the December 28, 2009 transaction between the Issuer and Industries. Thereby, for the period ended December 31, 2009, the Issuer recorded a value of \$25,010 under the "Other Assets – Investments" section of its balance sheet representing its common stock, equity interest investment in Industries.

11. OTHER ASSETS – NOTE RECEIVABLE² FROM ESOP TRUST

On December 31, 2009, the Citizens Capital Corp. 1998 Employee Stock Ownership Trust, (the "ESOP Trust") entered into a \$18,863,700; 4 year; 0% percent promissory note (the "ESOP Note²"), with Citizens Capital Corp., (the Issuer) in exchange for a \$30,000,000 issue of the Issuer's Series 2010A; 7% Percent; \$1,000 Par Value; Convertible; Callable; 144A; First Mortgage Bonds Due 2020.

Said ESOP Note² is secured by and subject to the terms and conditions of a separate Security Agreement (the "Security Agreement") dated December 31, 2009 between and amongst the Issuer and the ESOP Trust.

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The Transaction

For an effective fourteen percent (14%) rate of return (\$628.79 per \$1,000 par value amount) on the \$30,000,000 principal; face amount value of its seven percent (7%); Series 2010A Bonds or a re-marketing bond discount in the amount of \$11,136,300, the Issuer agreed to sale, to the ESOP Trust for the purpose of re-marketing said Series 2010A Bonds on a secondary market basis to certain Qualified Institutional Buyers (QIBs), \$30,000,000 aggregate principal amount of its 7% Percent; \$1,000 Par Value; Series 2010A; Convertible; Callable; 144A; First Mortgage Bonds Due 2020 (the "Bonds") at \$628.79 for each 30,000; \$1,000 par value or an aggregate value of \$18,863,700.

Each \$1,000 Par Value Bond is convertible at \$5.00 per share into 200 shares of the Issuer's Class A; no par; common stock or an aggregate of 6,000,000 common shares.

Each \$1,000 Par Value Bond; of an aggregate of 30,000 bonds, is callable, by the Issuer, at Par plus a 7% percent premium or \$1,070 for a total aggregate amount of \$32,100,000.

Disposition of Series 2010A Bonds

In order to reduce the outstanding, principal loan balance of the ESOP Note² payable to the Issuer, the ESOP Trust may liquidate on a secondary market basis, at any time in the institutional, capital market place, up to \$30,000,000 aggregate principal value of its Citizens Capital Corp.; 7% Percent; \$1,000 Par Value; Series 2010A; Convertible; Callable; 144A; Secured; First Mortgage Bonds Due 2020 held.

Liquidating Call Provision

Pursuant to the provision of the ESOP Note² and the Security Agreement thereof, the Issuer or the assigned Note holder of record thereof, shall have the "demand" right to require the ESOP Trust to liquidate on a secondary market basis, at any time, up to "ALL" of it \$30,000,000 aggregate principal amount of its: 7% Percent; \$1,000 Par Value; Series 2010A; Convertible; Callable; 144A; Secured; First Mortgage Bond holdings.

If said Series 2010A Bonds are not successfully re-marketed by the ESOP Trust to Qualified Institutional Buyer's (QIBs) and/or certain accredited investors, in whole or in part, the debt balance remaining related to the Series 2010A Bonds issuance, as well as, the note receivable² and liability thereof shall be extinguished.

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12. INTANGIBLE ASSETS

Brands, Rights and Services

The Issuer, through its interest in Landrush Realty Corporation, owns the registered trademark, distribution and exclusive marketing rights to The Texas Home Equity ReFund®, The Cash-Out Mortgage ReFinancer® and The Home Equity Cashier® home equity product marks.

The Issuer, through its interest in Media Force Sports & Entertainment Inc, owns the registered trademark, distribution and exclusive marketing rights to the Black Financial-News® magazine publication. During the Issuer's 2006 fiscal year, its Media Force unit discontinued production of its Black Financial News® magazine publication. On January 1, 2007, the Issuer's Media Force unit completed transformation and conversion of its Black Financial News magazine publication into the Black Financial News® Network video based website, a digital, financial and general news, information and advertising platform located at the following Company owned, internet domain: bfnnetwork.com.

The Issuer, through its interest in SCOR Brands Inc., owns the registered trademark, distribution and exclusive marketing rights to the SCOR® brand line of athletic shoes and apparel.

The Issuer accounts for the value of the trademarked products and the corresponding exclusive marketing and distribution rights based on the registration costs, which totaled \$400. This intangible asset for the Landrush; Media Force and SCOR trademarks, brands and rights were fully amortized on a straight line basis through the period ended December 31, 2003.

On January 1, 2008, the Issuer's Media Force unit completed transformation and conversion of its Black Financial News® magazine publication into the Black Financial News® Network (BFNN) video based website, a digital, financial and general news, information and advertising platform located at the following Company owned, internet domain: bfnnetwork.com. For the period ended December 31, 2008, the Issuer accounted for the value of its internally developed Black Financial News® Network (BFNN) video based website based on initial contributed research, development, design and project implementation cost considerations which totaled \$10,000.

On February 5, 2008, the Issuer officially completed the development of Dream League Football Association (DLFA), to include the design of its Dream League Football Association, league seal, the league brand, team logos for each of its twenty (20) initial teams, league website (dreamleaguefootball.com) and Dream League TV Network, game and programming broadcast channel.

The Issuer, through each of its twenty (20) DLFA teams, holds the exclusive television and radio broadcast rights, product manufacturing, product marketing, product merchandising and product distribution rights for each of its twenty (20) uniquely branded teams and team logos. Each the Issuer's named DLFA teams as they pertain to their team brands and current cities of operation, respectively, are listed as follows:

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Stampede (Austin, TX); Rustlers (Dallas, TX); Drillers (Houston, TX); Warriors (Oklahoma City, OK); River Wranglers (San Antonio, TX); Blackjacks (Las Vegas, NV); Stars (Los Angeles, CA); Mountaineers (Salt Lake City, UT); Pioneers (Portland, OR); Silicons (San Jose, CA); Gamblers (Newark, NJ); Gotham Gladiators (New York, NY); Liberty (Philadelphia, PA); Rhinos (Toronto, CN); Vultures (Richmond, VA); Bulldogs (Chicago, IL); Condors (Columbus, OH); Roaddogs (Detroit, MI); Stallions (Louisville, KY); Cheezheads (Milwaukee, WI).

For the period ended December 31, 2008, the Issuer accounted for the value of its internally developed DLFA assets, twenty (20) DLFA teams, inclusive of the exclusive television and radio broadcast rights, product manufacturing, product marketing, product merchandising and product distribution rights for each of its twenty (20) uniquely branded DLFA teams and team logos based on initial contributed research, development, design and project implementation cost considerations which totaled \$25,000.

On March 15, 2009, the Issuer's Media Force unit completed the internal development of its Black Financial News TV Network®, a CNN (Cable News Network) styled, 24/7, daily, broadband video delivered, financial, business and general news broadcast center whose content is targeted towards the global, black consumer market. For the period ended December 31, 2009, the Issuer accounted for the value of its internally developed Black Financial News® TV Network (BFNN) based on initial contributed research, development, design and project implementation cost considerations which totaled \$25,000.

Goodwill

As a result of the December 28, 2009 dated asset purchase transaction, between and amongst the Issuer and DLFA Industries, Inc. ("Industries") related to the sale of the intangible assets of the Dream League Football Association (DLFA) in exchange for 250,000,000 shares of Industries' common stock, the Issuer for the period ended December 31, 2009, eliminated the net amortized value of said DLFA intangible assets of \$20,250. As such, the Issuer subsequently experienced a loss of \$4,750 related to the disposition of said DLFA intangible assets which was reflected as a charge to the Issuer's income for the period ended December 31, 2009.

For the period ended December 31, 2009, there was no public market value for Industries' common stock. As such, the Issuer accounted for its aggregate 250,100,000 common share equity interest in Industries on the basis of the \$0.0001 par value of Industries' common stock at the close of the December 28, 2009 transaction between the Issuer and Industries. Thereby, for the period ended December 31, 2009, the Issuer recorded a value of \$25,010 under the "Other Assets – Investments" section of its balance sheet representing its common stock, equity interest investment in Industries. Further, for the period ended December 31, 2009, the Issuer recorded a value of \$4,760 (\$25,010 minus \$20,250) under the "Goodwill" section of its balance sheet representing the differential between the \$20,250 disposal value of the Issuer's DLFA intangible assets and the \$25,010 acquisition value of the Issuer's common equity investment interest in Industries', at par value.

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Net intangible assets for the period ended the period ended September 30, 2011 was \$31,824.

Schedule of Intangible Assets

Intangible Value of Black Financial News® Network (BFNN) video based website assets at December 31, 2008	\$	10,000
Amortization of Intangible Value of Black Financial News® Network (BFNN) video based website assets for the Period ended December 31, 2010 / Accumulated amortization.	\$	(810)
Intangible Value of Black Financial News® Network (BFNN) video based website (less) accumulated amortization through the Period ended December 31, 2010.		7,290
Intangible Value of Dream League Football Association (DLFA) assets at December 31, 2008	\$	25,000
Amortization of Dream League Football Association (DLFA) for Period ended December 31, 2009 / Accumulated amortization.	\$	-
Intangible Value of Dream League Football Association (DLFA) assets (less) accumulated amortization through the Period ended December 31, 2009.		20,250
Sale/Disposal of Intangible Asset – December 31, 2009		(20,250)
Net Intangible Value of Dream League Football Association (DLFA) asset for the period ended December 31, 2010.		- 0 -
Intangible Value of Black Financial News® TV Network assets at December 31, 2009	\$	25,000
Amortization of Intangible Value of Black Financial News® TV Network (BFNN) for the Period ended December 31, 2010 / Accumulated amortization.	\$	(2,250)
Intangible Value of Black Financial News® TV Network (BFNN) (less) accumulated amortization through the Period ended December 31, 2010.		20,250

Intangible Value of DLFA - Goodwill December 31, 2009		\$	4,760
Amortization of Intangible Value of DLFA – Goodwill for the Period ended December 31, 2010 / Accumulated amortization.	\$	(476)	(476)
Intangible Value of DLFA-Goodwill (less) accumulated amortization through the Period ended December 31, 2010.			4,284
Net Intangible Asset Value at September 30, 2011		\$	31,824

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13. SERIES 2010A; 144A BOND ISSUANCE

In order to fund and facilitate its corporate acquisition initiatives and debt capital requirements, the Issuer has duly authorized and caused to be established, a Series Bond Indenture (“Indenture”), which provides for the issuance from time to time of its unsecured debentures, secured bonds or other evidences of indebtedness (herein called the “Debt Securities”), to be issued in one or more series as provided by said Indenture.

Issuer: On December 31, 2009, Citizens Capital Corp. (the “Company”) issued an aggregate of 30,000 of its Series 2010A; 7%; \$1,000 Par Value; Convertible; Callable; 144A; First Mortgage Bonds Due 2020 (the "Series 2010A Bonds") pursuant to Regulation D; Rule 506 of the Securities Act of 1933, as amended and a notice of sale of securities was filed there under on January 7, 2010 (File No. 021-92553-5F). The Series 2010A Bonds were designated as 144A restricted securities under the Securities Act of 1933, as amended, and may only be resold to Qualified Institutional Buyer’s (QIBs) and/or certain accredited investors, pursuant to Rule 144A, unless some other exemption from the requirements of registration is relied upon.

CUSIP Number: 174445AA4

Purpose: The Issuer’s Series 2010A Bonds were issued in order to 1) facilitate and fund the Issuer’s program of acquisition; 2) for working capital and 3) for general corporate purposes.

Conversion: The Series 2010A Bonds are convertible at US \$5.00 per share into 200 shares of the Issuer’s common stock (OTC:CAAP) per each \$1,000 par value bond held for an aggregate of 6,000,000 shares of the Issuer’s common stock. Said conversion shares shall be converted on a “Non Dilutive” basis from currently issued and/or outstanding shares of the Issuer’s common stock totaling 48,022,500. The source of said conversion shares, if converted, may be derived from the Issuer’s treasury stock and/or on a “demand” call basis from shares held and provided by the Issuer’s Citizens Capital Corp. 1998 ESOP Trust.

Maturity Date: The maturity date for the Issuer’s Series 2010A bonds is: December 31, 2020.

Denomination: The Issuer issued an aggregate of 30,000 of its Series 2010A Bonds in denominations of \$1,000 for a total aggregate value of \$30,000,000.

Use of Proceeds: The Issuer intends to use net proceeds from its Series 2010A Bond issuance and/or the proceeds from the secondary market, re-marketing thereof the in the following manner:

- 1) To facilitate and fund its corporate and asset acquisition program;
- 2) To acquire certain broadband video broadcast equipment as related to its Media Force unit’s BFNN TV Network;
- 3) To acquire certain broadband video broadcast equipment as related to its DLFA Industries Inc. unit’s Dream League TV Network;
- 4) To acquire certain IPTV broadcast equipment as related to its Media Force unit’s 100+ channels; pay television, broadcast programming and distribution platform;
- 5) To facilitate certain land and/or property acquisitions related to team Stadium requirements of its DLFA Industries Inc. unit’s Dream League Football Association (DLFA) professional football assets.
- 6) For working capital and general corporate purposes;
- 7) To pay certain cost related to the issuance and re-marketing of the 2010A Bonds and
- 8) Resume production; marketing and distribution of the SCOR Brand line of footwear and apparel.

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Interest: Annual face value, interest payable on the Issuer's Series 2010A 7%; Bonds is US \$2,100,000; payable semi-annually in the amount of US \$1,050,000. Said semi-annual interest payments are payable on June 15th and December 15th of each year. Interest payments on the Series 2010A Bonds shall commence beginning on the first interest payment date subsequent to the secondary, re-marketing of said Series 2010A Bonds, by the initial Series 2010A Bond purchaser.

Callable: The Bonds are callable at any time,

by the Issuer, at a 7% percent premium or US \$1,070.00 per each \$1,000.00 par value bonds held by registered and/or beneficial holder interest bondholders thereof for an aggregate value of US \$32,100,000.

Delivery of Securities;

Registration Status: The Issuer's Series 2010A Bonds were initially delivered, by the Issuer, to the initial Series 2010A Bond purchaser in certificated form for each \$1,000 Par Value purchased or an aggregate of 30,000 Series 2010A face amount Bonds.

The Series 2010A Bonds are restricted securities and may only be resold subject to registration, exchange or an exemption from the requirements of registration. As a 144A designated security, the Bonds may only be resold to Qualified Institutional Buyers (QIBs) pursuant to Rule 144A as promulgated under the Securities Act of 1933 (the "Act"), as amended or sold to other buyers pursuant to the removal of restrictive legends pursuant to Rule 144.

The Issuer does not intend to register the Bonds pursuant to the Securities Act of 1933 (the "Act"), as amended, unless request is made and received in writing by more than fifty percent (50%) of Series 2010A registered and/or beneficial interest bondholders.

The Issuer at its sole discretion; at the request of the initial Series 2010A Bond purchaser; or at the request of certain secondary market Series 2010 Bond purchasers, may move to designate the Series 2010A Bonds as a Global Security with the Depository Trust Company (DTC). As a 144A, Global Security, the Bonds may trade freely amongst QIBs, as well as, have book-entry clearing and settlement through the DTC.

If said Series 2010A Bonds are not successfully re-marketed by the ESOP Trust to Qualified Institutional Buyer's (QIBs) and/or certain accredited investors, in whole or in part, the debt balance remaining related to the Series 2010A Bonds issuance and note receivable² and the liability thereof shall be extinguished.

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14. DISCOUNT ON SERIES 2010A; 144A BOND ISSUANCE

Pursuant to a December 31, 2009 dated Bond Purchase agreement between Citizens Capital Corp. ESOP Trust (“ESOP Trust”) and the Issuer, as Bond Issuer, the Issuer sold to the ESOP Trust, a \$30,000,000 issue of its 7%; \$1,000 par value; Series 2010A; convertible; callable; 144A; First Mortgage Bonds due 2020 (the “Series 2010A Bonds”).

To facilitate the secondary re-marketing of said Series 2010A Bonds on a best-efforts basis by the ESOP Trust, to Qualified Institutional Buyer’s (QIBs) and/or certain accredited investors, the Issuer sold said Series 2010A bonds at a price of \$18,863,700, representing a fourteen percent (14%) rate of return and discount on the \$30,000,000 principal; par value of the seven percent (7%); Series 2010A Bonds in the amount of \$11,136,300, or \$628.79 per each \$1,000 par value amount of said Series 2010A Bonds.

Interest on the Series 2010A Bonds is calculated utilizing the “effective interest rate” accounting method and is payable semi-annually for a period of ten (10) years and full amortization of the \$11,136,300 bond discount is amortized for twenty (20) semi-annual periods. Scheduled semi-annual interest payments for the period, plus, the amortized portion of the bond discount is charged by the Issuer to interest expense for each annual period ended December 31 while the Series 2010A Bonds remain outstanding, in whole or part.

If said Series 2010A Bonds are not successfully re-marketed by the ESOP Trust to Qualified Institutional Buyer’s (QIBs) and/or certain accredited investors, in whole or in part, the debt balance remaining, if any, related to the Series 2010A Bonds issuance and the liability thereof shall be extinguished.

For the period ended December 31, 2009 and December 31, 2010, annual interest payable and amortized bond discount for the Series 2010A Bonds was \$0 and \$0 respectively.

Date	Annual Interest Payment @ 7% x Face Value (3.5% Semi-Annual Rate)	Semi- Annual Interest Expense @ 14% Rate of Return x Previous Year Book Value (7% Semi-Annual Rate)	Amortization of Bond Discount	Balance in Bond Discount Account	Face Value Balance in the Bonds Payable Account	Book Value of Bonds
Jan 1, 2011				\$ 11,136,300	\$30,000,000	\$18,863,700
Jun 15, 2011	\$1,050,000	1,320,459	270,459	10,865,841	\$30,000,000	19,134,159
Dec 15, 2011	\$1,050,000	1,339,391	289,391	10,576,450	\$30,000,000	19,423,550
Jun 15, 2012	\$1,050,000	1,359,649	309,649	10,266,801	\$30,000,000	19,733,199
Dec 15, 2012	\$1,050,000	1,381,324	331,324	9,935,477	\$30,000,000	20,064,523

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Jun 15, 2013	\$1,050,000	1,404,517	354,517	9,580,960	\$30,000,000	20,419,040
Dec 15, 2013	\$1,050,000	1,429,333	379,333	9,201,627	\$30,000,000	20,798,373
Jun 15, 2014	\$1,050,000	1,455,886	405,886	8,795,741	\$30,000,000	21,204,259
Dec 15, 2014	\$1,050,000	1,484,298	434,298	8,361,443	\$30,000,000	21,638,557
Jun 15, 2015	\$1,050,000	1,514,699	464,699	7,896,744	\$30,000,000	22,103,256
Dec 15, 2015	\$1,050,000	1,547,228	497,228	7,399,516	\$30,000,000	22,600,484
Jun 15, 2016	\$1,050,000	1,582,034	532,034	6,867,482	\$30,000,000	23,132,518
Dec 15, 2016	\$1,050,000	1,619,276	569,276	6,298,206	\$30,000,000	23,701,794
Jun 15, 2017	\$1,050,000	1,659,126	609,126	5,689,080	\$30,000,000	24,310,920
Dec 15, 2017	\$1,050,000	1,701,764	651,764	5,037,316	\$30,000,000	24,962,684
Jun 15, 2018	\$1,050,000	1,747,388	697,388	4,339,928	\$30,000,000	25,660,072
Dec 15, 2018	\$1,050,000	1,796,205	746,205	3,593,723	\$30,000,000	26,406,277
Jun 15, 2019	\$1,050,000	1,848,439	798,439	2,795,284	\$30,000,000	27,204,716
Dec 15, 2019	\$1,050,000	1,904,330	854,330	1,940,954	\$30,000,000	28,059,046
Jun 15, 2020	\$1,050,000	1,964,133	914,133	1,026,821	\$30,000,000	28,973,179
Dec 15, 2020	\$1,050,000	2,028,123	978,123	48,698	\$30,000,000	29,951,302
Jun 15, 2021	\$1,050,000	1,098,698	48,698	0	\$30,000,000	\$30,000,000

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15. Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, Disclosures about Fair Value of Financial Instruments, requires the disclosure of the estimated fair values of financial instruments as determined at discrete points in time based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The estimated fair values of the Issuer's financial instruments, as measured on September 30, 2011, are as follows:

Note Receivable² and advances from stockholder – The fair values approximate carrying amounts because of the short maturity of those instruments.

Credit card cash advances; loans from stockholders and Series 2010A Bonds – the fair values approximate carrying values due to the use of prevailing interest rates.

16. Concentrations

The Issuer's revenue for the period were generated primarily from its Media Force unit, thus the Issuer may be said to have a concentration as it relates to revenues generated by business segment. During the period, the Issuer actively marketed, developed and pursued business for the Issuer, its DLFA segment and both its Media Force and SCOR units.

17. Subsequent Events

The Issuer does not report any material events which occurred subsequent to the period ended September 30, 2011.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

A. Plan of Operation.

The Issuer's plan of operation for the 2011 fiscal year is to: (1) acquire certain studio and broadcast equipment necessary for the fulfillment of its 10 year content licensing and distribution agreement between and amongst the Issuer's Media Force unit's BFNN TV Network® and Vivicast Media, LLC.

The Issuer intends to acquire certain studio and broadcast equipment necessary for the fulfillment of its 10 year content licensing and distribution agreement between and amongst the Issuer's DLFA Industries' unit's Dream League TV Network and Vivicast Media, LLC. The Dream League TV Network serves as a game broadcast platform for the Dream League Football Association, a professional football league structured to have twenty (20) teams located in twenty (20) of the top consumer markets in North America.

The Issuer intends to acquire certain IPTV broadcast equipment necessary for the implementation and operation of its 100+ channels, pay television programming and distribution platform. Each of the Issuer's Media Force unit's current and future programming networks intends to also separately distribute their content from its captive market programming and distribution platform.

The Issuer's SCOR Brands unit has completed development of its SCOR Brand footwear and has previously introduced said branded footwear products into the consumer market place. The Issuer intends to allocate funds to its SCOR unit necessary to resume production and further the marketing and distribution of its SCOR branded footwear products into the consumer market place and (2) continue to target, evaluate and pursue suitable mergers and/or acquisition candidates. The Issuer's cash requirements have been funded to date by its principal stockholder. The Issuer projects an annual requirement of approximately \$1,000,000 as an available acquisition funding line to be utilized to target, evaluate and pursue and consummate potential acquisition candidates. The Issuer intends to attempt to borrow these funds from affiliates of the Issuer and third party lenders, as well as, access both the public and private debt and equity capital markets, through its ESOP Trust, when and where available. Should the Issuer be unable to borrow these funds, it may be unable to fully implement its business plan, as well as, its plan of acquisition. Regardless of whether any funding is received, the Issuer's major stockholder has committed to provide funding required which allows the Issuer to continue to pursue its business objectives.

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B. Management's Discussion and Analysis of Financial Condition and Result of Operations.

Liquidity and Capital Resources

Since its inception, the Issuer has financed its operations primarily from the sale of its common stock, contributions and from the cash contributions of its principle stockholder. For the period ending September 30, 2011, contributions from its principal stockholder totaled \$997 versus \$1,164 for the same period ending September 30, 2010. The Issuer had (\$71,745) in cash as of September 30, 2011.

The Issuer's operating activities generated a net loss of (\$9,522) for the fiscal quarter ended September 30, 2011 versus a net loss of (\$1,164) for the same period ending September 30, 2010. Losses generated during this period were due to administrative and operating expenses exceeding revenue for the reported periods and additional expenditures related to the cost of various Securities and Exchange Commission (SEC) periodic filings.

As of the Issuer's fiscal quarter ended September 30, 2011, the Issuer's products and services have not been fully introduced, marketed and/or distributed into the consumer market place and thus have not generated a significant level of revenues streams necessary to offset administrative and operating expenses through the Issuer's fiscal quarter ended September 30, 2011. During fiscal year 2011, the Issuer's plans to introduce and publicly market its 1) subscriber based Black Financial News TV Network; 2) Dream League Football Association, professional football league; 3) Dream League TV Network; 4) 100+ channels; IPTV subscriber based; pay television, sports and entertainment, programming and distribution platform.

For the fiscal quarter ended September 30, 2011, the Issuer used (\$0) for investing activities. As a development stage company, the Issuer has not yet generated sufficient cash from operations to initiate a material level of investing activities.

At September 30, 2011, the Issuer's level of cash reserves and liquid working capital may not be sufficient to allow the Issuer to introduce and publicly market its developed products and services into the consumer market place. During fiscal year 2011, the Issuer intends to pursue the secondary re-marketing of both equity and debt held by its ESOP Trust and/or other affiliates, continue to pursue lines of credit from third party lenders; pursue both short term and/or long term borrowings from institutional investors necessary to fund its working capital requirements and the introduction of its branded products and services in to the consumer market place.

As of the fiscal quarter ended September 30, 2011, the Issuer did not have a material level of commitments for capital expenditures. However, during its 2011 fiscal year, the Issuer anticipates making initial capital expenditures of approximately \$1,520,000 for the purchase of corporate office and studio facilities and certain studio and broadcast equipment related to 1) its Black Financial News TV Network; 2) its Dream League TV Network; 3) its 100+ channels; IPTV subscriber based; pay television, sports and entertainment, programming and distribution platform; and 4) resumption of production, marketing and distribution of its SCOR Brand Line of branded footwear and apparel. The Issuer anticipates that the capital necessary for its acquisition initiatives and the further introduction of its products and/or services into the consumer marketplace shall be derived from the anticipated proceeds received from the secondary, re-marketing, to both institutional and accredited investors, of its common equity and Series 2010A Bonds, held by it ESOP Trust, as selling holder.

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Result of Operations

The Issuer is a development stage company whose internally developed assets, branded products and services have not been advertised, promoted or introduced fully into the consumer marketplace as of its fiscal quarter ended September 30, 2011. As such, revenue generated as a result of the Issuer's internally developed assets, branded products and services did not generate a material level of operating revenue during this period.

For the fiscal quarter ended September 30, 2011, the Issuer's DLFA Industries unit contributed \$0 to the Issuer's operating revenue for the period.

Administrative and operating expenses outpaced revenues resulting in a net loss of (\$9,522) for the Issuer's fiscal quarter ended September 30, 2011 versus a net loss of (\$1,164) for the Issuer's fiscal quarter ended September 30, 2010.

Beginning in the fourth quarter of the Issuer's 2011 fiscal year, the Issuer anticipates making initial capital expenditures of approximately \$1,520,000 related to the purchase of broadcast and studio facilities and the purchase of studio and broadcast equipment related to 1) its Black Financial News TV Network; 2) its Dream League TV Network; and 3) its 100+ channels; Media Force Sports & Entertainment TV (MFS&E TV) IPTV, subscriber based; sports and entertainment, video programming and distribution platform.

It is the Issuer's opinion that at the event in which its internally developed assets, products and services are fully introduced, advertised, and distributed into the market place, there shall be a corresponding increase in the Issuer's revenue and profitability. Further, it is the Issuer's objective to initiate and pursue a program of growth and acquisition which will allow the Issuer to add, to its current holdings, various operating companies and/or operating assets thereby allowing the Issuer to grow its revenue.

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C. Off-Balance Sheet Arrangements.

SERIES 2010A; 144A BOND ISSUANCE

In order to fund and facilitate its corporate acquisition initiatives and debt capital requirements, the Issuer has duly authorized and caused to be established, a Series Bond Indenture (“Indenture”), which provides for the issuance from time to time of its unsecured debentures, secured bonds or other evidences of indebtedness (herein called the “Debt Securities”), to be issued in one or more series as provided by said Indenture.

Issuer: On December 31, 2009, Citizens Capital Corp. (the “Company”) issued an aggregate of 30,000 of its Series 2010A; 7%; \$1,000 Par Value; Convertible; Callable; 144A; First Mortgage Bonds Due 2020 (the "Series 2010A Bonds") pursuant to Regulation D; Rule 506 of the Securities Act of 1933, as amended and a notice of sale of securities was filed there under on January 7, 2010 (File No. 021-92553-5F). The Series 2010A Bonds were designated as 144A restricted securities under the Securities Act of 1933, as amended, and may only be resold to Qualified Institutional Buyer’s (QIBs) and/or certain accredited investors, pursuant to Rule 144A, unless some other exemption from the requirements of registration is relied upon.

CUSIP Number: 174445AA4

Purpose: The Issuer’s Series 2010A Bonds were issued in order to 1) facilitate and fund the Issuer’s program of acquisition; 2) for working capital and 3) for general corporate purposes.

Conversion: The Series 2010A Bonds are convertible at US \$5.00 per share into 200 shares of the Issuer’s common stock (OTC:CAAP) per each \$1,000 par value bond held for an aggregate of 6,000,000 shares of the Issuer’s common stock. Said conversion shares shall be converted on a “Non Dilutive” basis from currently issued and/or outstanding shares of the Issuer’s common stock totaling 48,022,500. The source of said conversion shares, if converted, may be derived from the Issuer’s treasury stock and/or on a “demand” call basis from shares held and provided by the Issuer’s Citizens Capital Corp. 1998 ESOP Trust.

Maturity Date: The maturity date for the Issuer’s Series 2010A bonds is: December 31, 2020.

Denomination: The Issuer issued an aggregate of 30,000 of its Series 2010A Bonds in denominations of \$1,000 for a total aggregate value of \$30,000,000.

Use of Proceeds: The Issuer intends to use net proceeds from its Series 2010A Bond issuance and/or the proceeds from the secondary market, re-marketing thereof the in the following manner:

- 1) To facilitate and fund its corporate and asset acquisition program;
- 2) To acquire certain broadband video broadcast equipment as related to its Media Force unit’s Black Financial News TV Network;
- 3) To acquire certain IPTV broadcast equipment as related to its Media Force unit’s 100+ channels; pay television, broadcast programming and distribution platform;
- 4) To facilitate certain land and/or property acquisitions related to team Stadium requirements of its DLFA Industries Inc. unit’s Dream League Football Association (DLFA) professional football assets.
- 5) For working capital;
- 6) For general corporate purposes; and

7) To pay certain cost related to the issuance and re-marketing of the 2010A Bonds.

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Interest: Annual face value, interest payable on the Issuer's Series 2010A 7%; Bonds is US \$2,100,000; payable semi-annually in the amount of US \$1,050,000. Said semi-annual interest payments are payable on June 15th and December 15th of each year. Interest payments on the Series 2010A Bonds shall commence beginning on the first interest payment date subsequent to the secondary, re-marketing of said Series 2010A Bonds, by the initial Series 2010A Bond purchaser.

Callable: The Bonds are callable at any time, by the Issuer, at a 7% percent premium or US \$1,070.00 per each \$1,000.00 par value bonds held by registered and/or beneficial holder interest bondholders thereof for an aggregate value of US \$32,100,000.

Delivery of Securities;

Registration Status: The Issuer's Series 2010A Bonds were initially delivered, by the Issuer, to the initial Series 2010A Bond purchaser in certificated form for each \$1,000 Par Value purchased or an aggregate of 30,000 Series 2010A face amount Bonds.

The Series 2010A Bonds are restricted securities and may only be resold subject to registration, exchange or an exemption from the requirements of registration. As a 144A designated security, the Bonds may only be resold to Qualified Institutional Buyers (QIBs) pursuant to Rule 144A as promulgated under the Securities Act of 1933 (the "Act"), as amended.

The Issuer does not intend to register the Bonds pursuant to the Securities Act of 1933 (the "Act"), as amended, unless request is made and received in writing by more than fifty percent (50%) of Series 2010A registered and/or beneficial interest bondholders.

The Issuer at its sole discretion; at the request of the initial Series 2010A Bond purchaser; or at the request of certain secondary market Series 2010 Bond purchasers, may designate the Series 2010A Bonds as a Global Security with the Depository Trust Company (DTC). As a 144A, Global Security, the Bonds may trade freely amongst QIBs, as well as, have book-entry clearing and settlement through the DTC.

If said Series 2010A Bonds are not successfully re-marketed by the ESOP Trust to Qualified Institutional Buyer's (QIBs) and/or certain accredited investors, in whole or in part, the debt balance remaining related to the Series 2010A Bonds issuance and note receivable² and the liability thereof shall be extinguished.

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(a development stage company)

DISCOUNT ON SERIES 2010A; 144A BOND ISSUANCE

Pursuant to a December 31, 2009 dated Bond Purchase agreement between Citizens Capital Corp. ESOP Trust (“ESOP Trust”) and the Issuer, as Bond Issuer, the Issuer sold to the ESOP Trust, a \$30,000,000 issue of its 7%; \$1,000 par value; Series 2010A; convertible; callable; 144A; First Mortgage Bonds due 2020 (the “Series 2010A Bonds”).

To facilitate the secondary re-marketing of said Series 2010A Bonds on a best-efforts basis by the ESOP Trust, to Qualified Institutional Buyer’s (QIBs) and/or certain accredited investors, the Issuer sold said Series 2010A bonds at a price of \$18,863,700, representing a fourteen percent (14%) rate of return and discount on the \$30,000,000 principal; par value of the seven percent (7%); Series 2010A Bonds in the amount of \$11,136,300, or \$628.79 per each \$1,000 par value amount of said Series 2010A Bonds.

Interest on the Series 2010A Bonds is calculated utilizing the “effective interest rate” accounting method and is payable semi-annually for a period of ten (10) years and full amortization of the \$11,136,300 bond discount is amortized for twenty (20) semi-annual periods. Scheduled semi-annual interest payments for the period, plus, the amortized portion of the bond discount is charged by the Issuer to interest expense for each annual period ended December 31 while the Series 2010A Bonds remain outstanding, in whole or part.

If said Series 2010A Bonds are not successfully re-marketed by the ESOP Trust to Qualified Institutional Buyer’s (QIBs) and/or certain accredited investors, in whole or in part, the debt balance remaining, if any, related to the Series 2010A Bond issuance and the liability thereof shall be extinguished.

For the period ended September 30, 2011, annual interest payable and amortized bond discount for the Series 2010A Bonds was \$0.

CITIZENS CAPITAL CORP.
(a development stage company)

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

Market risk represents the risk of loss that may impact our financial condition due to adverse changes in financial market prices and rates. We are exposed to market risk related to changes in overall market interest rates as it relates to the Company's Series 2010A; 7% percent; 144A bonds, if and when said bonds are remarketed in the institutional debt market by the Company's affiliate and selling bondholder. .

Interest Rate Risk on our Debt

Because the interest rates applicable to our Series 2010A; 7% percent; 144A bonds are fixed, the Company may be exposed to market risk from rises in market interest rates. In the event that market interest rates rise, the Company's Series 2010A; 7% percent; 144A bonds may have to be significantly discounted in order to remarket said bonds according to competitive, current market rates. The Company does not utilize any hedging instruments or derivative techniques in relations to its Series 2010A; 7% percent; 144A bonds. For a description of the Company's Series 2010A; 7% percent; 144A bonds, please see Note No. 13 and Note No. 14 of the Notes to the Company's Financial statements.

ITEM 4. CONTROLS AND PROCEDURES.

As of the Company's fiscal quarter ended September 30, 2011, Executive Management of the Company hereby states that it is its corporate responsibility to establish and maintain adequate internal controls over financial reporting as it pertains to the operations of the Company.

Executive Management of the Company hereby states that the framework it established to evaluate the effectiveness of the Company's internal control over financing reporting involved taking a "hands on" approach to receiving source sales, expense and transactional documents, then subsequently taking the same "hands on" approach to recording and documenting said financial data represented by said source sales, expense and transactional documents in the appropriate transaction ledgers. Further, Executive Management of the Company, extends its "hands on" approach in maintaining adequate internal controls over its financial reporting by reconciling data entered into the Company's transactional ledgers with both the individual and aggregate values which are recorded and reported in the Company's financial statements for its respective quarter and year end periods.

For the Company's first fiscal quarter ended September 30, 2011, it is Executive Management's assessment that the internal controls over the Company's financial reporting process are effective. While Executive Management of the Company believes that the internal controls over the Company's financial reporting process are effective, Executive Management believes that the level of reporting efficiency, in terms of automated financial reporting systems, can improve the efficiency of the Company's period end reporting and reduce the time necessary to close out both its quarterly and year end reporting process.

This quarterly report does not include an Attestation report of the registered public accounting firm on the Company's internal control over financing reporting. For the fiscal quarter end, the Company was an inactive entity pursuant to Rule 17 CFR 210.3-11. Rule 17 CFR 210.3-11 states that if a registrant is an inactive entity, the financial statements required by this regulation for purposes of reports pursuant to the Securities Exchange Act of 1934 may be un-audited. As such, this report does not include an Attestation of a registered public accounting firm.

For the Company's first fiscal quarter ended September 30, 2011, Executive Management of the Company hereby states that it has not identified nor made any changes in the Company's internal control over financial reporting which has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 4T. Controls and Procedures

This temporary Item 4T expired on June 30, 2010.

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PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On May 23, 2011, the SEC issued an Order Instituting Proceeding (“OIP”) against the Company pursuant to Section 12(j) of the Exchange Act to suspend or revoke the registration of our common stock because of our failure to file an annual report on Form 10-K or Form 10-KSB since December 31, 2010 or quarterly reports on either Form 10-Q or Form 10-QSB since September 31, 2010. An Administrative Law Judge will consider the evidence in the Section 12(j) proceeding and has been directed in the OIP to issue an initial decision within 120 days of service of the OIP. We are currently evaluating the Section 12(j) OIP, including available procedural remedies and intend to defend against the possible suspension or revocation of the registration of the Company’s common stock.

On June 6, 2011 in reply, the Company filed an initial answer to the OIP. On June 14, 2011, the Company filed a second answer to the OIP.

On July 15, 2011, the Company and representatives of the SEC Enforcement Division (“Division”) participated in a prehearing conference in which the Division was granted leave to file a summary disposition pursuant to 17 C.F.R. 201.250. On August 12, 2011, the Division filed its Motion for Summary Disposition and Brief in Support.

On September 7, 2011, the Company filed its Response, in Opposition to the Division’s Motion. On September 12, 2011, the Division filed a brief in Reply on its Motion. On September 12, 2011, the Company filed a multi-year; comprehensive Form 10-K annual report with the SEC for the period end December 31, 2010, inclusive of financial statements for the fiscal years ended December 31, 2001 thru December 31, 2009. The Company’s filed Form 10-K annual report thereby provided current information, on the Company, to public investors. On September 15, 2011, the Company filed Form 10-Q for the quarterly periods ended March 31, 2011 and June 30, 2011, respectively. The Company’s filed Form 10-Q quarterly reports thereby provided current information, on the Company, to public investors.

On September 23, 2011, with current information on the Company available to the public, the Administrative Law Judge rendered his Initial Decision in favor of Summary Disposition and the revocation of the registration of the Company’s common stock pursuant to Section 12(j) of the Exchange Act of 1934, as amended.

On October 3, 2011, the Company filed a Motion to Correct Manifest Errors of Fact related to the Initial Decision. The Initial Decision shall become effective in accordance with and subject to the provisions of Rule 360 of the Commission’s Rules of Practice. Pursuant to that Rule, a party may file a petition for review of an Initial Decision within twenty-one days after service of the decision. A party may also file a motion to correct a manifest error of fact within ten days of the Initial Decision pursuant to Rule 111 of the Commission’s Rules of Practice. If a motion to correct a manifest error of fact is filed by a party, then that party shall have twenty-one days to file a petition of review from the date of the order resolving the motion to correct a manifest error of fact. As such, the Petition for Review of Initial Decision and Notice of Appeal of Administrative Proceedings Pursuant to Section 12(j) of the Exchange Act of 1934 was timely filed, pursuant to the Initial Decision by the Commission dated September 23, 2011.

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The Initial Decision will not become final until the Commission enters an order of finality. The Commission will enter an order of finality unless a party files a petition for review or a motion to correct a manifest error of fact, or unless the Commission determines on its own initiative to review the Initial Decision. If any of these events occurs, the Initial Decision shall not become final.

On November 2, 2011, the Company filed a Petition for Review of Initial Decision and Notice of Appeal of Administrative Proceedings Pursuant to Section 12(j) of the Exchange Act of 1934.

Said request for review notwithstanding, due to the egregious nature of the underlying errors in the Findings of Fact in the Initial Decision which were material in several of the underlying premises which contributed to the Administrative Law Judge's Initial Decision (See E-Smart Technologies, Inc., Order Remanding Proceedings; Securities Exchange Act of 1934 Release No. 50514; October 12, 2004); and the prejudice and inequity exhibited against the Company in the Initial Decision as related to the "non-exclusive" application of revocation sanctions for the same Violations under Section 13(a); Rules 13a-1 and 13a-13 of the Exchange Act of 1934 as exhibited In the Matter of Comverse Technology, Inc.; Securities Exchange Act of 1934 Release No. 65301; Administrative Proceeding File No. 3-13828; the Company intends to move with vigor in seekink judicial review of any final order entered pursuant to such decision.

ITEM 1A. RISK FACTORS

The following factors, among others, should be considered carefully in evaluating an investment in the Company's securities. Please read the section in the Company's 10-Q; Part II; Item 1A; entitled "Risk Factors", each sub-caption there under, as well as, the Company's un-audited financial statements located in its annual report filed with the SEC on or about September 12, 2011 for the period ended December 31, 2010 in conjunction with the notes to the financial statements thereof carefully before making a decision concerning the purchase of any of the Company's securities.

Development Stage Status

The Company is a development stage holding Company operating through four subsidiaries; Landrush, Media Force, Industries and SCOR. Operations since the Company's inception on March 12, 1991 through the Company's fiscal period ended December 31, 2010, have primarily included expenditures related to the development and execution of the Company's business plan; contemplated business ventures, products and services. Since its inception, neither the Company nor any of its subsidiaries have been profitable.

CITIZENS CAPITAL CORP.
(a development stage company)

Product Quality and Development

The products, services and business ventures developed by the Company's and its Landrush, Media Force, Industries and SCOR units are newly developed. There are no assurances that a market will develop or can be maintained according to the Company's business plan; or the contemplated business ventures of any of its subsidiary units.

The Texas Home Equity ReFund® and Cash-Out Mortgage ReFinancer® products contemplated to be offered by the Company's Landrush unit are new with no history as licensed products. As such, there are no assurances that the Texas Home Equity ReFund® and Cash-Out Mortgage ReFinancer® products will be received in the market place or obtain a significant level of distribution.

The Black Financial~News® TV Network proposed to be launched by the Company's Media Force unit is a new broadband video channel with no history of broadcast distribution. There are no assurances that the Black Financial~News® TV Network will be received in the market place or establish a significant level of distribution.

The Company's SCOR unit has successfully developed, designed and produced its SCOR Brand line of footwear and apparel and introduced said products into the market place. However, in order for the Company's SCOR unit to be perceived as a viable replacement for better known name brand athletic footwear and apparel, the proposed SCOR products must be visually attractive and solidly constructed. In order to solidify its SCOR Brand products in the market place, SCOR must establish effective channels of distribution and maintain an active product development program. There is no assurance that a market will develop for the SCOR brand line of athletic shoes and apparel.

The Company's Industries' DLFA unit is a new professional football league contemplated by Industries. Industries' DLFA unit shall be in primary competition with the National Collegiate Athletic Association (NCAA), the National Football League (NFL), the United Football League (UFL) and the Canadian Football League (CFL) for personnel. The NCAA and NFL currently hold leading positions in the market place as it pertains to advertisers and television market share. There are no assurances that Industries' DLFA segment will be able to obtain sufficient personnel levels to staff each of its twenty (20) contemplated teams nor that Industries' DLFA segment shall be able to obtain broadcast distribution for its games on its Dream League TV Network or on any third party television networks.

CITIZENS CAPITAL CORP.
(a development stage company)

Dependence on Advertising and Promotion

The success of the products and services contemplated to be offered by the Company's subsidiary units are dependent on advertising and promotions each of the products and services.

Media Force's Black Financial~News® TV Network (BFNN) contemplated by the Company's Media Force unit is dependent upon the advertisement and promotion of its broadband channel, as well as, commercial advertising and sponsorship support as a primary source of revenue generation for the unit. Absent the receipt of advertiser, sponsorship and promotional support, Media Force's BFNN unit may be adversely affected and there is no assurance that BFNN shall be successful in meeting its operational objectives. Absent the receipt of advertiser and promotional support, Media Force's BFNN unit may be adversely affected and there is no assurance that BFNN shall be successful in meeting its operational objectives.

The athletic shoe and apparel market is heavily dependant upon marketing. The Company's SCOR unit shall be highly dependent upon the advertisement and promotion of its branded products in order to generate a sufficient level of sales activity. Absent the receipt of advertiser and promotional support, the Company's SCOR unit may be adversely affected and there is no assurance that SCOR shall be successful in meeting its operational objectives.

The Company's Industries' DLFA unit and each of its contemplated twenty (20) teams is heavily dependant upon advertising, sponsorship and promotional support as a primary source of its revenues. Absent the receipt of adequate levels of advertiser and promotional support, there are no assurances that Industries' DLFA segment will be successful in meeting its operational, revenue and profitability objectives.

No Assurance of Profitability

The Company is a development stage Company which has not generated a material level of consolidated sales activity nor has the Company generated a profit. For the Company's fiscal years ended December 31, 2009 and December 31, 2010 respectively, the Company generated net losses of <\$14,654> and <\$5,504> respectively. The Company's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by development stage companies. To address these risks, the Company must, among other things, establish its products and services in their respective markets, respond to competitive developments, continue to attract, retain and motivate qualified persons, and continue to upgrade its technologies and commercialize its products and services incorporating such technologies. There can be no assurance that the Company can be successful in addressing these risks or that the Company can be operated profitably, which depends on many factors, including the success of the Company's marketing program, the control of expense levels and the success of the Company's business activities.

CITIZENS CAPITAL CORP.
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Possible Under Capitalization and Need For Future Financing

The Company and its subsidiary units anticipates that a significant portion of its short-term working capital and long term acquisition financing resources shall be provided from the proceeds generated by the re-payment and liquidation of its \$18,863,700 Note Receivable² held as payment for a \$18,863,700 loan made to its affiliated Citizens Capital Corp. 1998 ESOP Trust (ESOP Trust) in exchange for the purchase a \$30,000,000; issue of the Company's Series 2010A; 7% percent; \$1,000 par value; convertible; callable; 144A; First Mortgage Bonds Due 2020. The Promissory Note originating from said Note Receivable² has a "demand call" provision that allows the Company to "demand" the liquidation of up to 30,000 Series 2010A; \$1,000 par value bonds, held by the ESOP Trust, to certain Qualified Institution Buyers (QIBs) and/or Accredited Investors in the secondary market, at anytime. If the Company is unable to obtain anticipated financing utilizing the "demand call" provisions of its Note Receivable² held, there can be no assurance that the Company will be able to successfully implement its acquisition oriented business objectives or meet working capital requirements.

Further, the Company and its subsidiary units anticipates that a significant portion of its short-term working capital and long term acquisition financing resources will be provided from the proceeds generated from the secondary market re-sale of up to 13,000,000 shares of the Company's common equity, held by its affiliated Citizens Capital Corp. 1998 ESOP Trust. Pursuant to the provisions of Note Receivable¹, held by the Company, the Company has a "demand call" provision that allows the Company to "demand" the re-sale in the capital market place of up to 13,000,000 shares of the Company's common equity, held by the affiliated Citizens Capital Corp. 1998 ESOP Trust.

While the Company intends to explore a number of options in order to secure alternative financing in the event that currently anticipated financing is not obtained or is insufficient, there can be no assurance that additional financing will be available when needed or obtained on terms favorable to the Company.

Dependence on Management

As of the Company's quarter end September 30, 2011, shareholders and bondholders of the Company are fully dependent upon the Company's Chief Executive Officer, Billy D. Hawkins, to conduct the Company's business and to implement the operating objectives of each of its subsidiary units. Success of the business depends on the skills and efforts of both current and future management and, to a large extent, on the active participation of the Company's board of directors, executive officers and key employees. The Company may provide stock options in order to retain and motivate qualified management personnel or other key employees. However, the inability to attract and retain qualified management and other key employees could adversely affect the Company's ability in meeting its business objectives.

CITIZENS CAPITAL CORP.
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Competition

As discussed above, the markets for which the Company's and each of its subsidiary units propose to operate are intensely competitive, rapidly evolving and subject to rapid fundamental and technological change. Except for that of capital, information, knowledge and technology, there are no substantial barriers to initial entry, and the Company expects competition to persist, intensify and increase in the future. There can be no assurance that market competitors in each of the Company subsidiary units will not develop fundamental methods and technologies or products that render the Company's products obsolete or less marketable, that the Company will be able to compete successfully, that the Company will be able to successfully enhance its products, or develop new products or lower costs when and as needed.

Proposed Expansion and Ability to Manage Growth

The Company and each of its subsidiary units intend to expand its current level of operations. Expansion of the Company's operations will be dependent upon, among other things, its ability to: (I) achieve significant market acceptance for the Company's products and services; (II) hire and retain skilled management, marketing, technical and other personnel; (III) successfully manage growth, if any (including monitoring operations, controlling costs, and maintaining effective quality controls); and, (IV) obtain adequate levels of both working capital and acquisition financing when needed. The Company's prospects for future growth will be largely dependent upon its ability to achieve significant penetration of its products and technologies in targeted markets, to successfully market its concepts, to develop and commercialize applications of its design and production technologies for the market and to enter into strategic alliances with third-parties in connection with the exploitation of its technologies. The Company could also seek to expand its operations through corporate merger and/or acquisition.

Wells Notices

On May 23, 2011, the SEC issued an Order Instituting Proceeding ("OIP") against the Company pursuant to Section 12(j) of the Exchange Act to suspend or revoke the registration of our common stock because of our failure to file an annual report on Form 10-K or Form 10-KSB since December 31, 2001 or quarterly reports on either Form 10-Q or Form 10-QSB since September 31, 2001. An Administrative Law Judge will consider the evidence in the Section 12(j) proceeding and has been directed in the OIP to issue an initial decision within 120 days of service of the OIP. We are currently evaluating the Section 12(j) OIP, including available procedural remedies and intend to defend against the possible suspension or revocation of the registration of our common stock.

For further information, please cross-reference to Item 1, Legal Proceedings; of the section heading of this document hereby entitled Part II – Other Information.

CITIZENS CAPITAL CORP.
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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. REMOVED AND RESERVED.

Not Applicable. This item has been removed.

ITEM 5. OTHER INFORMATION

On March 23, 2011, the Company entered into an engagement letter with Dallas, Texas based Certified Public Accounting firm, Montgomery, Coscia Greilich LLP related to the provision of certain financial statement audit services.

For the Company's fiscal periods ended December 31, 2001 thru December 31, 2010, the Company was an inactive entity pursuant to Rule 17 CFR 210.3-11. Rule 17 CFR 210.3-11 states that if a registrant is an inactive entity as defined below, the financial statements required by this regulation for purposes of reports pursuant to the Securities Exchange Act of 1934 may be un-audited. An inactive entity is one meeting all of the following conditions: (a) Gross receipts from all sources for the fiscal year are not in excess of \$100,000; (b) the registrant has not purchased or sold any of its own stock, granted options therefore, or levied assessments upon outstanding stock, (c) Expenditures for all purposes for the fiscal year are not in excess of \$100,000; (d) No material change in the business has occurred during the fiscal year, including any bankruptcy, reorganization, readjustment or succession or any material acquisition or disposition of plants, mines, mining equipment, mine rights or leases; and (e) No exchange upon which the shares are listed, or governmental authority having jurisdiction, requires the furnishing to it or the publication of audited financial statements.

For the fiscal periods ended December 31, 2001 thru December 31, 2010, the Company met each of the above listed conditions and criteria qualifying it as an inactive entity. As such, through a review of the Company's business and the receipt of corporate advisory consultation, it was determined that the Company, for the referenced periods, did not require audit services for the audit of its financial statements.

On August 28, 2011, the Dallas, Texas based Certified Public Accounting firm, Montgomery, Coscia Greilich LLP declined to continue its engagement with the Company without causing any work papers to be produced or ever issuing an audited or reviewed financial statement or financial statement otherwise on behalf of the Company.

At the future juncture that the Company requires audit services for the audit of its financial statements, the Company intends to select a new Certified Public Accounting firm whose audit services and the costs thereof are more in line with the service needs of a smaller reporting, emerging growth company.

For the Company's quarterly period ended September 30, 2011, the Company continued to meet each of the above listed conditions and criteria qualifying it as an inactive entity.

ITEM 6. EXHIBITS

Exhibit (See Below)

EXHIBIT INDEX

See "Exhibit Index" on page 46

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CITIZENS CAPITAL CORP.
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Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Citizens Capital Corp.
(Registrant)

Date: November 14, 2011

By: /s/ Billy D. Hawkins
Chief Executive Officer

CITIZENS CAPITAL CORP.
(a development stage company)
EXHIBIT INDEX

Exhibit Description

No	
<u>31.1</u>	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350
<u>32.1</u>	Certification of the Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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TD>ASSET DERIVATIVES¹

Foreign
Exchange Risk

Purchased options ²	\$51,893	Forward foreign currency contracts	19,757	Total	\$71,650	LIABILITY DERIVATIVES¹	Foreign
Exchange Risk		Forward foreign currency contracts	\$220,514				

¹ Generally, the balance sheet location for asset derivatives is receivables/net unrealized appreciation (depreciation) and for liability derivatives is payables/net unrealized appreciation (depreciation).

² Market value of purchased options is reported in Investments at value in the Statement of Assets and Liabilities.

The following tables provide information about the effect of derivatives and hedging activities on the Fund's Statement of Operations for the year ended May 31, 2016. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the period. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the period.

AMOUNT OF REALIZED GAIN (LOSS) ON DERIVATIVES RECOGNIZED

	Interest Rate Risk	Foreign Exchange Risk	Total
Written options		\$ 30,233	\$ 30,233
Futures contracts	\$(1,563,823)		(1,563,823)
Forward foreign currency contracts ¹		(34,027)	(34,027)
Total	\$(1,563,823)	\$(3,794)	\$(1,567,617)

¹ Net realized gain (loss) from forward foreign currency contracts is reported in net realized gain (loss) from foreign currency transactions in the Statement of Operations.

Notes to financial statements (cont d)

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON DERIVATIVES
RECOGNIZED

	Foreign Exchange Risk
Purchased options ¹	\$ (168,688)
Forward foreign currency contracts ²	(261,389)
Total	\$ (430,077)

¹ The change in unrealized appreciation (depreciation) from purchased options is reported in the change in net unrealized appreciation (depreciation) from investments in the Statement of Operations.

² The change in unrealized appreciation (depreciation) from forward foreign currency contracts is reported in the change in net unrealized appreciation (depreciation) from foreign currencies in the Statement of Operations.

During the year ended May 31, 2016, the volume of derivative activity for the Fund was as follows:

	Average Market Value
Purchased options	\$ 32,312
Written options	6
Futures contracts (to sell)	24,453,400
Forward foreign currency contracts (to buy)	9,900,301
Forward foreign currency contracts (to sell)	14,237,326

At May 31, 2016, there were no open positions held in this derivative.

The following table presents by financial instrument, the Fund's derivative assets net of the related collateral received by the Fund at May 31, 2016:

	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities ¹	Collateral Received	Net Amount
Purchased options ²	\$ 51,893		\$ 51,893
Forward foreign currency contracts	19,757		19,757
Total	\$ 71,650		\$ 71,650

The following table presents by financial instrument, the Fund's derivative liabilities net of the related collateral pledged by the Fund at May 31, 2016:

	Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities ¹	Collateral Pledged	Net Amount
Forward foreign currency contracts	\$ 220,514		\$ 220,514

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¹ Absent an event of default or early termination, derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities.

² Market value of purchased options is shown in Investments at value in the Statement of Assets and Liabilities.

5. Loan

The Fund has a revolving credit agreement with Pershing LLC that allows the Fund to borrow up to an aggregate amount of \$100,000,000 and renews daily for a 180-day term unless notice to the contrary is given to the Fund. The Fund pays a monthly commitment fee at an annual rate of 0.35% on the unutilized portion of the loan. The interest on the loan

outstanding, if any, is calculated at a variable rate based on the one-month LIBOR plus any applicable margin. To the extent of the borrowing outstanding, the Fund is required to maintain collateral in a special custody account at the Fund's custodian on behalf of Pershing LLC. The Fund's credit agreement contains customary covenants that, among other things, may limit the Fund's ability to pay distributions in certain circumstances, incur additional debt, change its fundamental investment policies and engage in certain transactions including mergers and consolidations, and require asset coverage ratio in addition to those required by the 1940 Act. In addition, the credit agreement may be subject to early termination under certain conditions and may contain other provisions that could limit the Fund's ability to utilize borrowing under the agreement. For the year ended May 31, 2016, the Fund incurred a commitment fee in the amount of \$137,941. Interest expense related to the loan for the year ended May 31, 2016 was \$654,440. At May 31, 2016, the Fund had \$85,580,000 of borrowings outstanding per this credit agreement. For the year ended May 31, 2016, based on the number of days during the reporting period that the Fund had a loan outstanding, the average daily loan balance was \$60,588,306 and the weighted average interest rate was 1.08%.

6. Distributions subsequent to May 31, 2016

The following distributions have been declared by the Fund's Board of Directors and are payable subsequent to the period end of this report:

Record Date	Payable Date	Amount
6/17/2016	6/24/2016	\$ 0.2100

7. Stock repurchase program

On November 16, 2015, the Fund announced that the Fund's Board of Directors (the Board) had authorized the Fund to repurchase in the open market up to approximately 10% of the Fund's outstanding common stock when the Fund's shares are trading at a discount to net asset value. The Board has directed management of the Fund to repurchase shares of common stock at such times and in such amounts as management reasonably believes may enhance stockholder value. The Fund is under no obligation to purchase shares at any specific discount levels or in any specific amounts. During the period ended May 31, 2016, the Fund did not repurchase any shares.

8. Income tax information and distributions to shareholders

The tax character of distributions paid during the fiscal years ended May 31, was as follows:

	2016	2015
Distributions paid from:		
Ordinary income	\$ 24,049,103	\$ 27,055,241

Notes to financial statements (cont d)

As of May 31, 2016, the components of accumulated earnings (losses) on a tax basis were as follows:

Undistributed ordinary income - net	\$ 321,248
Deferred capital losses*	(37,881,130)
Other book/tax temporary differences ^a	(5,252,815)
Unrealized appreciation (depreciation) ^b	6,075,809
Total accumulated earnings (losses) - net	\$ (36,736,888)

* These capital losses have been deferred in the current year as either short-term or long-term losses. The losses will be deemed to occur on the first day of the next taxable year in the same character as they were originally deferred and will be available to offset future taxable capital gains.

^a Other book/tax temporary differences are attributable to the realization for tax purposes of unrealized gains (losses) on certain foreign currency contracts, the deferral of certain late year losses for tax purposes and book/tax differences in the timing of the deductibility of various expenses.

^b The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales and the difference between book and tax amortization methods for premiums on fixed income securities.

9. Reorganization

On February 16, 2016, the Fund announced approval by the Fund's Board of Directors of a proposal to merge the Fund with and into Western Asset Emerging Markets Debt Fund Inc., subject to approval by the stockholders of each Fund. If approved, the merger is anticipated to occur during the third quarter of 2016.

If the proposed merger is approved by the stockholders of both Funds, stockholders of the Fund would receive common stock of Western Asset Emerging Markets Debt Fund Inc., based on each Fund's respective net asset value per share.

10. Recent accounting pronouncement

The Fund has adopted the disclosure provisions of Financial Accounting Standards Board Accounting Standards Update No. 2014-11 (ASU No. 2014-11), *Transfers and Servicing (Topic 860) Repurchase-to-Maturity Transactions, Repurchase Financings and Disclosures*. ASU No. 2014-11 is intended to provide increased transparency about the types of collateral pledged in repurchase agreements and similar transactions that are accounted for as secured borrowings.

Report of independent registered public accounting firm

The Board of Directors and Shareholders

Western Asset Emerging Markets Income Fund Inc.:

We have audited the accompanying statement of assets and liabilities of Western Asset Emerging Markets Income Fund Inc., including the schedule of investments, as of May 31, 2016, and the related statement of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of May 31, 2016, by correspondence with the custodian and brokers or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Western Asset Emerging Markets Income Fund Inc. as of May 31, 2016, the results of its operations and cash flows for the year then ended, changes in its net assets for each of the years in the two-year period then ended, and financial highlights for each of the years in the five year period then ended, in conformity with U.S. generally accepted accounting principles.

New York, New York

July 19, 2016

Additional information (unaudited)

Information about Directors and Officers

The business and affairs of Western Asset Emerging Markets Income Fund Inc. (the Fund) are conducted by management under the supervision and subject to the direction of its Board of Directors. The business address of each Director is c/o Jane Trust, Legg Mason, 100 International Drive, 11th Floor, Baltimore, Maryland 21202. Information pertaining to the Directors and officers of the Fund is set forth below.

The Fund's annual proxy statement includes additional information about Directors and is available, without charge, upon request by calling the Fund at 1-888-777-0102.

Independent Directors:

Robert D. Agdern

Year of birth	1950
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class II
Term of office ¹ and length of time served	Since 2015
Principal occupation(s) during past five years	Member of the Advisory Committee of the Dispute Resolution Research Center at the Kellogg Graduate School of Business, Northwestern University (since 2002); formerly, Deputy General Counsel responsible for western hemisphere matters for BP PLC (1999 to 2001); formerly, Associate General Counsel at Amoco Corporation responsible for corporate, chemical, and refining and marketing matters and special assignments (1993 to 1998) (Amoco merged with British Petroleum in 1998 forming BP PLC).
Number of portfolios in fund complex overseen by Director (including the Fund)	31
Other board memberships held by Director during past five years	None

Carol L. Colman

Year of birth	1946
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class III
Term of office ¹ and length of time served	Since 2003
Principal occupation(s) during past five years	President, Colman Consulting Company (consulting)
Number of portfolios in fund complex overseen by Director (including the Fund)	31
Other board memberships held by Director during past five years	None

Daniel P. Cronin

Year of birth	1946
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class III
Term of office ¹ and length of time served	Since 2003
Principal occupation(s) during past five years	Retired; formerly, Associate General Counsel, Pfizer Inc. (prior to and including 2004)
Number of portfolios in fund complex overseen by Director (including the Fund)	31
Other board memberships held by Director during past five years	None

Independent Directors cont d

Paolo M. Cucchi

Year of birth	1941
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class I
Term of office ¹ and length of time served	Since 2007
Principal occupation(s) during past five years	Emeritus Professor of French and Italian (since 2014) and formerly, Vice President and Dean of The College of Liberal Arts (1984 to 2009) and Professor of French and Italian (2009 to 2014) at Drew University
Number of portfolios in fund complex overseen by Director (including the Fund)	31
Other board memberships held by Director during past five years	None

Leslie H. Gelb

Year of birth	1937
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class I
Term of office ¹ and length of time served	Since 1994
Principal occupation(s) during past five years	President Emeritus (since 2003); formerly, Senior Board Fellow (2003 to 2015) and President, (prior to 2003), the Council on Foreign Relations; formerly, Columnist, Deputy Editorial Page Editor and Editor, Op-Ed Page, The New York Times
Number of portfolios in fund complex overseen by Director (including the Fund)	31
Other board memberships held by Director during past five years	Director of two registered investment companies advised by Aberdeen Asset Management Asia Limited (since 1994); Director, Encyclopedia Britannica; Director, Centre Partners IV and V, LP and Affiliates

William R. Hutchinson

Year of birth	1942
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class III
Term of office ¹ and length of time served	Since 2003
Principal occupation(s) during past five years	President, W.R. Hutchinson & Associates Inc. (Consulting) (since 2001)
Number of portfolios in fund complex overseen by Director (including the Fund)	31
Other board memberships held by Director during past five years	Director (Non-Executive Chairman of the Board (since December 1, 2009)), Associated Banc Corp. (banking) (since 1994)

Additional information (unaudited) (cont d)

Information about Directors and Officers

Independent Directors cont d

Eileen A. Kamerick

Year of birth	1958
Position(s) held with Fund ¹	Director and Member of Nominating and Audit Committees, Class II
Term of office ¹ and length of time served	Since 2013
Principal occupation(s) during past five years	Senior Adviser to Chief Executive Officer (since 2016), formerly, Executive Vice President and Chief Financial Officer, ConnectWise, Inc. (software and services company) (2015 to 2016) and Adjunct Professor, Washington University in St. Louis and University of Iowa law schools (since 2007); formerly, CFO, Press Ganey Associates (health care informatics company) (2012 to 2014); formerly, Managing Director and CFO, Houlihan Lokey (international investment bank) (2010 to 2012)
Number of portfolios in fund complex overseen by Director (including the Fund)	31
Other board memberships held by Director during past five years	Director of Associated Banc-Corp (financial services company) (since 2007); Westell Technologies, Inc. (technology company) (since 2003)

Riordan Roett

Year of birth	1938
Position(s) held with Fund ¹	Director and Member of the Nominating and Audit Committees, Class I
Term of office ¹ and length of time served	Since 1995
Principal occupation(s) during past five years	The Sarita and Don Johnston Professor of Political Science and Director of Latin American Studies, Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University (since 1973)
Number of portfolios in fund complex overseen by Director (including the Fund)	31
Other board memberships held by Director during past five years	None

Interested Director and Officer:

Jane Trust, CFA²

Year of birth	1962
Position(s) held with Fund ¹	Director, Chairman, President and Chief Executive Officer, Class II
Term of office ¹ and length of time served	Since 2015
Principal occupation(s) during past five years	Managing Director of Legg Mason & Co., LLC (Legg Mason & Co.) (since 2016); Officer and/or Trustee/Director of 163 funds associated with Legg Mason Partners Fund Advisor, LLC (LMPFA) or its affiliates (since 2015); President and Chief Executive Officer of LMPFA (since 2015); formerly, Senior Vice President of LMPFA (2015); formerly, Director of ClearBridge, LLC (formerly, Legg Mason Capital Management, LLC) (2007 to 2014); formerly, Managing Director of Legg Mason Investment Counsel & Trust Co. (2000 to 2007)
Number of portfolios in fund complex overseen by Director (including the Fund)	155
Other board memberships held by Director during past five years	None

Additional Officers:

Ted P. Becker

Legg Mason

620 Eighth Avenue, 49th Floor, New York, NY 10018

Year of birth	1951
Position(s) held with Fund ¹	Chief Compliance Officer
Term of office ¹ and length of time served	Since 2006
Principal occupation(s) during past five years	Director of Global Compliance at Legg Mason (since 2006); Chief Compliance Officer of LMPFA (since 2006); Managing Director of Compliance of Legg Mason & Co. (since 2005); Chief Compliance Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006)

Jenna Bailey

Legg Mason

100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth	1978
Position(s) held with Fund ¹	Identity Theft Prevention Officer
Term of office ¹ and length of time served	Since 2015
Principal occupation(s) during past five years	Identity Theft Prevention Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2015); Compliance Officer of Legg Mason & Co. (since 2013); Assistant Vice President of Legg Mason & Co. (since 2011); formerly, Associate Compliance Officer of Legg Mason & Co. (2011 to 2013); formerly, Risk Manager of U.S. Distribution of Legg Mason & Co. (2007 to 2011)

Additional information (unaudited) (cont d)

Information about Directors and Officers

Additional Officers cont d

Robert I. Frenkel

Legg Mason

100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1954

Secretary and Chief Legal Officer

Since 2003

Vice President and Deputy General Counsel of Legg Mason (since 2006); Managing Director and General Counsel – U.S. Mutual Funds for Legg Mason & Co. (since 2006) and Legg Mason & Co. predecessors (since 1994); Secretary and Chief Legal Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006)

Thomas C. Mandia

Legg Mason

100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1962

Assistant Secretary

Since 2006

Managing Director and Deputy General Counsel of Legg Mason & Co. (since 2005) and Legg Mason & Co. predecessors (prior to 2005); Secretary of LMPFA (since 2006); Assistant Secretary of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006) and Legg Mason & Co. predecessors (prior to 2006); Secretary of LM Asset Services, LLC (LMAS) (since 2002) and Legg Mason Fund Asset Management, Inc. (LMFAM) (since 2013) (formerly registered investment advisers)

Richard F. Sennett

Legg Mason

100 International Drive, 7th Floor, Baltimore, MD 21202

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1970

Principal Financial Officer

Since 2011

Principal Financial Officer and Treasurer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2011 and since 2013); Managing Director of Legg Mason & Co. and Senior Manager of the Treasury Policy group for Legg Mason & Co.'s Global Fiduciary Platform (since 2011); formerly, Chief Accountant within the SEC's Division of Investment Management (2007 to 2011); formerly, Assistant Chief Accountant within the SEC's Division of Investment Management (2002 to 2007)

Additional Officers cont d

Steven Frank

Legg Mason

620 Eighth Avenue, 49th Floor, New York, NY 10018

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1967

Treasurer

Since 2010

Director of Legg Mason & Co. (since 2015); Treasurer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2010); formerly, Vice President of Legg Mason & Co. and Legg Mason & Co. predecessors (2002 to 2015); formerly, Controller of certain mutual funds associated with Legg Mason & Co. or its affiliates (prior to 2010)

Jeanne M. Kelly

Legg Mason

620 Eighth Avenue, 49th Floor, New York, NY 10018

Year of birth

Position(s) held with Fund¹

Term of office¹ and length of time served

Principal occupation(s) during past five years

1951

Senior Vice President

Since 2007

Senior Vice President of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2007); Senior Vice President of LMPFA (since 2006); President and Chief Executive Officer of LMAS and LMFAM (since 2015); Managing Director of Legg Mason & Co. (since 2005) and Legg Mason & Co. predecessors (prior to 2005); formerly, Senior Vice President of LMFAM (2013 to 2015)

Directors who are not interested persons of the Fund within the meaning of Section 2(a)(19) of the Investment Company Act of 1940, as amended (the 1940 Act).

¹ The Fund's Board of Directors is divided into three classes: Class I, Class II and Class III. The terms of office of the Class I, II and III Directors expire at the Annual Meetings of Stockholders in the year 2018, year 2017 and year 2016, respectively, or thereafter in each case when their respective successors are duly elected and qualified. The Fund's executive officers are chosen each year, to hold office until their successors are duly elected and qualified.

² Effective August 1, 2015, Ms. Trust became a Director. In addition, Ms. Trust is an interested person of the Fund as defined in the 1940 Act because Ms. Trust is an officer of LMPFA and certain of its affiliates.

Annual chief executive officer and principal financial officer certifications (unaudited)

The Fund's Chief Executive Officer (CEO) has submitted to the NYSE the required annual certification and the Fund also has included the Certifications of the Fund's CEO and Principal Financial Officer required by Section 302 of the Sarbanes-Oxley Act in the Fund's Form N-CSR filed with the SEC for the period of this report.

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Other shareholder communications regarding accounting matters (unaudited)

The Fund's Audit Committee has established guidelines and procedures regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (collectively, "Accounting Matters"). Persons with complaints or concerns regarding Accounting Matters may submit their complaints to the Chief Compliance Officer ("CCO"). Persons who are uncomfortable submitting complaints to the CCO, including complaints involving the CCO, may submit complaints directly to the Fund's Audit Committee Chair. Complaints may be submitted on an anonymous basis.

The CCO may be contacted at:

Legg Mason & Co., LLC

Compliance Department

620 Eighth Avenue, 49th Floor

New York, New York 10018

Complaints may also be submitted by telephone at 1-800-742-5274. Complaints submitted through this number will be received by the CCO.

Dividend reinvestment plan (unaudited)

Pursuant to certain rules of the Securities and Exchange Commission, the following additional disclosure is provided.

Each shareholder holding shares of common stock (Shares) of Western Asset Emerging Markets Income Fund Inc., will be deemed to have elected to be a participant in the Amended and Restated Dividend Reinvestment and Cash Purchase Plan (Plan), unless the shareholder specifically elects in writing (addressed to the Agent at the address below or to any nominee who holds Shares for the shareholder in its name) to receive all distributions in cash, paid by check, mailed directly to the record holder by or under the direction of Computershare Inc. as the Fund's dividend-paying agent (Agent). A shareholder whose Shares are held in the name of a broker or nominee who does not provide an automatic reinvestment service may be required to take such Shares out of street name and register such Shares in the shareholder's name in order to participate, otherwise distributions will be paid in cash to such shareholder by the broker or nominee. Each participant in the Plan is referred to herein as a Participant. The Agent will act as agent for each Participant, and will open accounts for each Participant under the Plan in the same name as their Shares are registered.

Unless the Fund declares a distribution payable only in the form of cash, the Agent will apply all distributions in the manner set forth below.

If, on the determination date, the market price per Share equals or exceeds the net asset value per Share on that date (such condition, a market premium), the Agent will receive the distribution in newly issued Shares of the Fund on behalf of Participants. If, on the determination date, the net asset value per Share exceeds the market price per Share (such condition, a market discount), the Agent will purchase Shares in the open-market. The determination date will be the fourth New York Stock Exchange trading day (a New York Stock Exchange trading day being referred to herein as a Trading Day) preceding the payment date for the distribution. For purposes herein, market price will mean the average of the highest and lowest prices at which the Shares sell on the New York Stock Exchange on the particular date, or if there is no sale on that date, the average of the closing bid and asked quotations.

Purchases made by the Agent will be made as soon as practicable commencing on the Trading Day following the determination date and terminating no later than 30 days after the distribution payment date except where temporary curtailment or suspension of purchase is necessary to comply with applicable provisions of federal securities law; provided, however, that such purchases will, in any event, terminate on the earlier of (i) 60 days after the distribution payment date and (ii) the Trading Day prior to the ex-dividend date next succeeding the distribution payment date.

If (i) the Agent has not invested the full distribution amount in open-market purchases by the date specified in paragraph 4 above as the date on which such purchases must terminate or (ii) a market discount shifts to a market premium during the purchase period, then the Agent will cease making open-market purchases and will receive the uninvested portion

of the distribution amount in newly issued Shares (x) in the case of (i) above, at the close of business on the date the Agent is required to terminate making open-market purchases as specified in paragraph 4 above or (y) in the case of (ii) above, at the close of business on the date such shift occurs; but in no event prior to the payment date for the distribution.

In the event that all or part of a distribution amount is to be paid in newly issued Shares, such Shares will be issued to Participants in accordance with the following formula: (i) if, on the valuation date, the net asset value per Share is less than or equal to the market price per Share, then the newly issued Shares will be valued at net asset value per Share on the valuation date; provided, however, that if the net asset value is less than 95% of the market price on the valuation date, then such Shares will be issued at 95% of the market price and (ii) if, on the valuation date, the net asset value per Share is greater than the market price per Share, then the newly issued Shares will be issued at the market price on the valuation date. The valuation date will be the distribution payment date, except that with respect to Shares issued pursuant to paragraph 5 above, the valuation date will be the date such Shares are issued. If a date that would otherwise be a valuation date is not a Trading Day, the valuation date will be the next preceding Trading Day.

Participants have the option of making additional cash payments to the Agent, monthly, in a minimum amount of \$250, for investment in Shares. The Agent will use all such funds received from Participants to purchase Shares in the open market on or about the first business day of each month. To avoid unnecessary cash accumulations, and also to allow ample time for receipt and processing by the Agent, Participants should send in voluntary cash payments to be received by the Agent approximately 10 days before an applicable purchase date specified above. A Participant may withdraw a voluntary cash payment by written notice, if the notice is received by the Agent not less than 48 hours before such payment is to be invested.

Purchases by the Agent pursuant to paragraphs 4 and 7 above may be made on any securities exchange on which the Shares are traded, in the over-the-counter market or in negotiated transactions, and may be on such terms as to price, delivery and otherwise as the Agent shall determine. Funds held by the Agent uninvested will not bear interest, and it is understood that, in any event, the Agent shall have no liability in connection with any inability to purchase Shares within the time periods herein provided, or with the timing of any purchases effected. The Agent shall have no responsibility as to the value of the Shares acquired for the Participant's account. The Agent may commingle amounts of all Participants to be used for open-market purchases of Shares and the price per Share allocable to each Participant in connection with such purchases shall be the average price (including brokerage commissions) of all Shares purchased by the Agent.

The Agent will maintain all Participants' accounts in the Plan and will furnish written confirmations of all transactions in each account, including information needed by Participants for personal and tax records. The Agent will hold Shares acquired pursuant to the Plan in non-certificated form in the Participant's name or that of its nominee, and each Participant's proxy will include those Shares purchased pursuant to the Plan. The Agent will forward to

Dividend reinvestment plan (unaudited) (continued)

Participants any proxy solicitation material and will vote any Shares so held for Participants only in accordance with the proxy returned by Participants to the Fund. Upon written request, the Agent will deliver to Participants, without charge, a certificate or certificates for the full Shares.

The Agent will confirm to Participants each acquisition made for their respective accounts as soon as practicable but not later than 60 days after the date thereof. Although Participants may from time to time have an undivided fractional interest (computed to three decimal places) in a Share of the Fund, no certificates for fractional shares will be issued. Distributions on fractional shares will be credited to each Participant's account. In the event of termination of a Participant's account under the Plan, the Agent will adjust for any such undivided fractional interest in cash at the market value of the Fund's Shares at the time of termination less the pro rata expense of any sale required to make such an adjustment.

Any share dividends or split shares distributed by the Fund on Shares held by the Agent for Participants will be credited to their respective accounts. In the event that the Fund makes available to Participants rights to purchase additional Shares or other securities, the Shares held for Participants under the Plan will be added to other Shares held by the Participants in calculating the number of rights to be issued to Participants.

The Agent's service fee for handling distributions will be paid by the Fund. Participants will be charged a pro rata share of brokerage commissions on all open-market purchases.

Participants may terminate their accounts under the Plan by notifying the Agent in writing. Such termination will be effective immediately if notice is received by the Agent not less than 10 days prior to any distribution record date; otherwise such termination will be effective on the first Trading Day after the payment date for such distribution with respect to any subsequent distribution. The Plan may be amended or terminated by the Fund as applied to any voluntary cash payments made and any distribution paid subsequent to written notice of the change or termination sent to Participants at least 30 days prior to the record date for the distribution. The Plan may be amended or terminated by the Agent, with the Fund's prior written consent, on at least 30 days' written notice to Participants. Notwithstanding the preceding two sentences, the Agent or the Fund may amend or supplement the Plan at any time or times when necessary or appropriate to comply with applicable law or rules or policies of the Securities and Exchange Commission or any other regulatory authority. Upon any termination, the Agent will cause a certificate or certificates for the full Shares held by each Participant under the Plan and cash adjustment for any fraction to be delivered to each Participant without charge.

Any amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Agent receives written notice of the termination of the Participant's account under the Plan. Any such amendment may include an appointment by the Agent in its place and stead of a successor Agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Agent under these terms and conditions. Upon any such appointment of an Agent for the purpose

of receiving distributions, the Fund will be authorized to pay to such successor Agent, for each Participant's account, all distributions payable on Shares of the Fund held in each Participant's name or under the Plan for retention or application by such successor Agent as provided in these terms and conditions.

In the case of Participants, such as banks, broker-dealers or other nominees, which hold Shares for others who are beneficial owners (Nominee Holders), the Agent will administer the Plan on the basis of the number of Shares certified from time to time by each Nominee Holder as representing the total amount registered in the Nominee Holder's name and held for the account of beneficial owners who are to participate in the Plan.

The Agent shall at all times act in good faith and use its best efforts within reasonable limits to insure the accuracy of all services performed under this Agreement and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by its negligence, bad faith, or willful misconduct or that of its employees.

All correspondence concerning the Plan should be directed to the Agent at 211 Quality Circle, Suite 210, College Station, TX 77845-4470.

Western Asset

Emerging Markets Income Fund Inc.

Directors

Robert D. Agdern

Carol L. Colman

Daniel P. Cronin

Paolo M. Cucchi

Leslie H. Gelb

William R. Hutchinson

Eileen A. Kamerick

Riordan Roett

Jane Trust*

Chairman

Officers

Jane Trust*

President and Chief Executive Officer

Richard F. Sennett

Principal Financial Officer

Ted P. Becker

Chief Compliance Officer

Jenna Bailey

Identity Theft Prevention Officer

Robert I. Frenkel

Secretary and Chief Legal Officer

Thomas C. Mandia

Assistant Secretary

Steven Frank

Treasurer

Jeanne M. Kelly

Senior Vice President

Western Asset Emerging Markets Income Fund Inc.

620 Eighth Avenue

49th Floor

New York, NY 10018

Investment manager

Legg Mason Partners Fund Advisor, LLC

Subadvisers

Western Asset Management Company

Western Asset Management Company Limited

Western Asset Management Company Pte. Ltd.

Custodian

State Street Bank and Trust Company

1 Lincoln Street Boston, MA 02111

Transfer agent

Computershare Inc.** 211 Quality Circle, Suite 210

College Station, TX 77845-4470

* Effective August 1, 2015, Ms. Trust became a Director, Chairman, President and Chief Executive Officer.

** Effective March 14, 2016, Computershare Inc. serves as the Fund's transfer agent.

Independent registered public accounting firm

KPMG LLP 345 Park Avenue New York, NY 10154

Legal counsel

Simpson Thacher & Bartlett LLP 425 Lexington Avenue New York, NY 10017

New York Stock Exchange Symbol

EMD

Legg Mason Funds Privacy and Security Notice

Your Privacy and the Security of Your Personal Information is Very Important to the Legg Mason Funds

This Privacy and Security Notice (the **Privacy Notice**) addresses the Legg Mason Funds' privacy and data protection practices with respect to nonpublic personal information the Funds receive. The Legg Mason Funds include any funds sold by the Funds' distributor, Legg Mason Investor Services, LLC, as well as Legg Mason-sponsored closed-end funds and certain closed-end funds managed or sub-advised by Legg Mason or its affiliates. The provisions of this Privacy Notice apply to your information both while you are a shareholder and after you are no longer invested with the Funds.

The Type of Nonpublic Personal Information the Funds Collect About You

The Funds collect and maintain nonpublic personal information about you in connection with your shareholder account. Such information may include, but is not limited to:

Personal information included on applications or other forms;

Account balances, transactions, and mutual fund holdings and positions;

Online account access user IDs, passwords, security challenge question responses; and

Information received from consumer reporting agencies regarding credit history and creditworthiness (such as the amount of an individual's total debt, payment history, etc.).

How the Funds Use Nonpublic Personal Information About You

The Funds do not sell or share your nonpublic personal information with third parties or with affiliates for their marketing purposes, or with other financial institutions or affiliates for joint marketing purposes, unless you have authorized the Funds to do so. The Funds do not disclose any nonpublic personal information about you except as may be required to perform transactions or services you have authorized or as permitted or required by law. The Funds may disclose information about you to:

Employees, agents, and affiliates on a **need to know** basis to enable the Funds to conduct ordinary business or comply with obligations to government regulators;

Service providers, including the Funds' affiliates, who assist the Funds as part of the ordinary course of business (such as printing, mailing services, or processing or servicing your account with us) or otherwise perform services on the Funds' behalf, including companies that may perform marketing services solely for the Funds;

The Funds' representatives such as legal counsel, accountants and auditors; and

Fiduciaries or representatives acting on your behalf, such as an IRA custodian or trustee of a grantor trust.

Legg Mason Funds Privacy and Security Notice (cont d)

Except as otherwise permitted by applicable law, companies acting on the Funds' behalf are contractually obligated to keep nonpublic personal information the Funds provide to them confidential and to use the information the Funds share only to provide the services the Funds ask them to perform.

The Funds may disclose nonpublic personal information about you when necessary to enforce their rights or protect against fraud, or as permitted or required by applicable law, such as in connection with a law enforcement or regulatory request, subpoena, or similar legal process. In the event of a corporate action or in the event a Fund service provider changes, the Funds may be required to disclose your nonpublic personal information to third parties. While it is the Funds' practice to obtain protections for disclosed information in these types of transactions, the Funds cannot guarantee their privacy policy will remain unchanged.

Keeping You Informed of the Funds' Privacy and Security Practices

The Funds will notify you annually of their privacy policy as required by federal law. While the Funds reserve the right to modify this policy at any time they will notify you promptly if this privacy policy changes.

The Funds' Security Practices

The Funds maintain appropriate physical, electronic and procedural safeguards designed to guard your nonpublic personal information. The Funds' internal data security policies restrict access to your nonpublic personal information to authorized employees, who may use your nonpublic personal information for Fund business purposes only.

Although the Funds strive to protect your nonpublic personal information, they cannot ensure or warrant the security of any information you provide or transmit to them, and you do so at your own risk. In the event of a breach of the confidentiality or security of your nonpublic personal information, the Funds will attempt to notify you as necessary so you can take appropriate protective steps. If you have consented to the Funds using electronic communications or electronic delivery of statements, they may notify you under such circumstances using the most current email address you have on record with them.

In order for the Funds to provide effective service to you, keeping your account information accurate is very important. If you believe that your account information is incomplete, not accurate or not current, or if you have questions about the Funds' privacy practices, write the Funds using the contact information on your account statements, email the Funds by clicking on the Contact Us section of the Funds' website at www.leggmason.com, or contact the Fund at 1-888-777-0102.

NOT PART OF THE ANNUAL REPORT

Western Asset Emerging Markets Income Fund Inc.

Western Asset Emerging Markets Income Fund Inc.

620 Eighth Avenue

49th Floor

New York, NY 10018

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase, at market prices, shares of its stock.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. To obtain information on Form N-Q from the Fund, shareholders can call 1-888-777-0102.

Information on how the Fund voted proxies relating to portfolio securities during the prior 12-month period ended June 30th of each year and a description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio transactions are available (1) without charge, upon request, by calling 1-888-777-0102, (2) at www.lmcef.com and (3) on the SEC's website at www.sec.gov.

This report is transmitted to the shareholders of Western Asset Emerging Markets Income Fund Inc. for their information. This is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or any securities mentioned in the report.

Computershare Inc.

211 Quality Circle, Suite 210

College Station, TX 77845-4470

WASX011901 7/16 SR16-2822

ITEM 2. CODE OF ETHICS.

The registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The Board of Directors of the registrant has determined that Eileen A. Kamerick, a member of the Board's Audit Committee, possesses the technical attributes identified in Instruction 2(b) of Item 3 to Form N-CSR to qualify as an audit committee financial expert and that she is independent for purposes of this item.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

a) Audit Fees. The aggregate fees billed in the last two fiscal years ending May 31, 2015 and May 31, 2016 (the Reporting Periods) for professional services rendered by the Registrant's principal accountant (the Auditor) for the audit of the Registrant's annual financial statements, or services that are normally provided by the Auditor in connection with the statutory and regulatory filings or engagements for the Reporting Periods, were \$72,200 in 2015 and \$72,900 in 2016.

b) Audit-Related Fees. The aggregate fees billed in the Reporting Period for assurance and related services by the Auditor that are reasonably related to the performance of the Registrant's financial statements were \$0 in 2015 and \$0 in 2016.

In addition, there were no Audit-Related Fees billed in the Reporting Period for assurance and related services by the Auditor to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by or under common control with the investment adviser that provides ongoing services to the Western Asset Managed Municipals Fund Inc. (service affiliates), that were reasonably related to the performance of the annual audit of the service affiliates. Accordingly, there were no such fees that required pre-approval by the Audit Committee for the Reporting Periods.

(c) Tax Fees. The aggregate fees billed in the Reporting Periods for professional services rendered by the Auditor for tax compliance, tax advice and tax planning (Tax Services) were \$3,840 in 2015 and \$0 in 2016. These services consisted of (i) review or preparation of U.S. federal, state, local and excise tax returns; (ii) U.S. federal, state and local tax planning, advice and assistance regarding statutory, regulatory or administrative developments, and (iii) tax advice regarding tax qualification matters and/or treatment of various financial instruments held or proposed to be acquired or held.

There were no fees billed for tax services by the Auditors to service affiliates during the Reporting Periods that required pre-approval by the Audit Committee.

d) All Other Fees. There were no other fees billed in the Reporting Periods for products and services provided by the Auditor, other than the services reported in paragraphs (a) through (c) for the Item 4 for the Western Asset Emerging Markets Income Fund Inc.

All Other Fees. There were no other non-audit services rendered by the Auditor to Legg Mason Partners Fund Advisors, LLC (LMPFA), and any entity controlling, controlled by or under common control with LMPFA that provided ongoing services to Western Asset Emerging Markets Income Fund Inc. requiring pre-approval by the Audit Committee in the Reporting Period.

(e) Audit Committee's pre-approval policies and procedures described in paragraph(c) (7) of Rule 2-01 of Regulation S-X.

(1) The Charter for the Audit Committee (the "Committee") of the Board of each registered investment company (the "Fund") advised by LMPFA or one of their affiliates (each, an "Adviser") requires that the Committee shall approve (a) all audit and permissible non-audit services to be provided to the Fund and (b) all permissible non-audit services to be provided by the Fund's independent auditors to the Adviser and any Covered Service Providers if the engagement relates directly to the operations and financial reporting of the Fund. The Committee may implement policies and procedures by which such services are approved other than by the full Committee.

The Committee shall not approve non-audit services that the Committee believes may impair the independence of the auditors. As of the date of the approval of this Audit Committee Charter, permissible non-audit services include any professional services (including tax services), that are not prohibited services as described below, provided to the Fund by the independent auditors, other than those provided to the Fund in connection with an audit or a review of the financial statements of the Fund. Permissible non-audit services may not include: (i) bookkeeping or other services related to the accounting records or financial statements of the Fund; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions or human resources; (vii) broker or dealer, investment adviser or investment banking services; (viii) legal services and expert services unrelated to the audit; and (ix) any other service the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

Pre-approval by the Committee of any permissible non-audit services is not required so long as: (i) the aggregate amount of all such permissible non-audit services provided to the Fund, the Adviser and any service providers controlling, controlled by or under common control with the Adviser that provide ongoing services to the Fund ("Covered Service Providers") constitutes not more than 5% of the total amount of revenues paid to the independent auditors during the fiscal year in which the permissible non-audit services are provided to (a) the Fund, (b) the Adviser and (c) any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund during the fiscal year in which the services are provided that would have to be approved by the Committee; (ii) the permissible non-audit services were not recognized by the Fund at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Committee and approved by the Committee (or its delegate(s)) prior to the completion of the audit.

(2) For the Western Asset Emerging Markets Income Fund Inc., the percentage of fees that were approved by the audit committee, with respect to: Audit-Related Fees were 100% and 100% for 2015 and 2016; Tax Fees were 100% and 100% for 2015 and 2016; and Other Fees were 100% and 100% for 2015 and 2016.

(f) N/A

(g) Non-audit fees billed by the Auditor for services rendered to Western Asset Emerging Markets Income Fund Inc., LMPFA and any entity controlling, controlled by, or under common control with LMPFA that provides ongoing services to Western Asset Emerging Markets Income Fund Inc. during the reporting period were \$0 in 2016.

(h) Yes. Western Asset Emerging Markets Income Fund Inc.'s Audit Committee has considered whether the provision of non-audit services that were rendered to Service Affiliates, which were not pre-approved (not requiring pre-approval), is compatible with maintaining the Accountant's independence. All services provided by the Auditor to the Western Asset Emerging Markets Income Fund Inc. or to Service Affiliates, which were required to be pre-approved, were pre-approved as required.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

a) Registrant has a separately-designated standing Audit Committee established in accordance with *Section 3(a)58(A) of the Exchange Act*. The Audit Committee consists of the following Board members:

Robert D. Agdern

Carol L. Colman

Daniel P. Cronin

Paolo M. Cucchi

Leslie H. Gelb

William R. Hutchinson

Eileen A. Kamerick

Dr. Riordan Roett

b) Not applicable

ITEM 6. SCHEDULE OF INVESTMENTS.

Included herein under Item 1.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Proxy Voting Guidelines and Procedures

Legg Mason Partners Fund Advisor, LLC (LMPFA) delegates the responsibility for voting proxies for the fund to the subadviser through its contracts with the subadviser. The subadviser will use its own proxy voting policies and procedures to vote proxies. Accordingly, LMPFA does not expect to have proxy-voting responsibility for the fund. Should LMPFA become responsible for voting proxies for any reason, such as the inability of the subadviser to provide investment advisory services, LMPFA shall utilize the proxy voting guidelines established by the most recent subadviser to vote proxies until a new subadviser is retained.

The subadviser's Proxy Voting Policies and Procedures govern in determining how proxies relating to the fund's portfolio securities are voted and are provided below. Information regarding how each fund voted proxies (if any) relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge (1) by calling 888-777-0102, (2) on the fund's website at <http://www.lmcef.com> and (3) on the SEC's website at <http://www.sec.gov>.

Background

Western Asset Management Company (WA), Western Asset Management Company Limited (WAML) and Western Asset Management Company Pte. Ltd. (WAMC) (together Western Asset or the subadviser) have adopted and

implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and SEC Rule 206(4)-6 under the Investment Advisers Act of 1940 (Advisers Act). Our authority to vote the proxies of our clients is established through investment management agreements or comparable documents, and our proxy voting guidelines have been tailored to reflect these specific contractual obligations. In addition to SEC requirements governing advisers, our proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts. Unless a manager of ERISA assets has been expressly precluded from voting proxies, the Department of Labor has determined that the responsibility for these votes lies with the Investment Manager.

In exercising its voting authority, Western Asset will not consult or enter into agreements with officers, directors or employees of Legg Mason Inc. or any of its affiliates (except that WA, WAML and WAMC may so consult and agree with each other) regarding the voting of any securities owned by its clients.

Western Asset's proxy voting procedures are designed and implemented in a way that is reasonably expected to ensure that proxy matters are handled in the best interest of our clients. While the guidelines included in the procedures are intended to provide a benchmark for voting standards, each vote is ultimately cast on a case-by-case basis, taking into consideration Western Asset's contractual obligations to our clients and all other relevant facts and circumstances at the time of the vote (such that these guidelines may be overridden to the extent Western Asset deems appropriate).

Procedures

Responsibility and Oversight

The Western Asset Legal and Compliance Department (Legal and Compliance Department) is responsible for administering and overseeing the proxy voting process. The gathering of proxies is coordinated through the Corporate Actions area of Investment Support (Corporate Actions). Research analysts and portfolio managers are responsible for determining appropriate voting positions on each proxy utilizing any applicable guidelines contained in these procedures.

Client Authority

The Investment Management Agreement for each client is reviewed at account start-up for proxy voting instructions. If an agreement is silent on proxy voting, but contains an overall delegation of discretionary authority or if the account represents assets of an ERISA plan, Western Asset will assume responsibility for proxy voting. The Legal and Compliance Department maintains a matrix of proxy voting authority.

Proxy Gathering

Registered owners of record, client custodians, client banks and trustees (Proxy Recipients) that receive proxy materials on behalf of clients should forward them to Corporate Actions. Proxy Recipients for new clients (or, if Western Asset becomes aware that the applicable Proxy Recipient for an existing client has changed, the Proxy Recipient for the existing client) are notified at start-up of appropriate routing to Corporate Actions of proxy materials received and reminded of their responsibility to forward all proxy materials on a timely basis. If Western Asset personnel other than Corporate Actions receive proxy materials, they should promptly forward the materials to Corporate Actions.

Proxy Voting

Once proxy materials are received by Corporate Actions, they are forwarded to the Legal and Compliance Department for coordination and the following actions:

- a. Proxies are reviewed to determine accounts impacted.
- b. Impacted accounts are checked to confirm Western Asset voting authority.

- c. Legal and Compliance Department staff reviews proxy issues to determine any material conflicts of interest. (See conflicts of interest section of these procedures for further information on determining material conflicts of interest.)
- d. If a material conflict of interest exists, (i) to the extent reasonably practicable and permitted by applicable law, the client is promptly notified, the conflict is disclosed and Western Asset obtains the client's proxy voting instructions, and (ii) to the extent that it is not reasonably practicable or permitted by applicable law to notify the client and obtain such instructions (e.g., the client is a mutual fund or other commingled vehicle or is an ERISA plan client), Western Asset seeks voting instructions from an independent third party.
- e. Legal and Compliance Department staff provides proxy material to the appropriate research analyst or portfolio manager to obtain their recommended vote. Research analysts and portfolio managers determine votes on a case-by-case basis taking into account the voting guidelines contained in these procedures. For avoidance of doubt, depending on the best interest of each individual client, Western Asset may vote the same proxy differently for different clients. The analyst's or portfolio manager's basis for their decision is documented and maintained by the Legal and Compliance Department.
- f. Legal and Compliance Department staff votes the proxy pursuant to the instructions received in (d) or (e) and returns the voted proxy as indicated in the proxy materials.

Timing

Western Asset personnel act in such a manner to ensure that, absent special circumstances, the proxy gathering and proxy voting steps noted above can be completed before the applicable deadline for returning proxy votes.

Recordkeeping

Western Asset maintains records of proxies voted pursuant to Section 204-2 of the Advisers Act and ERISA DOL Bulletin 94-2. These records include:

- a. A copy of Western Asset's policies and procedures.
- b. Copies of proxy statements received regarding client securities.
- c. A copy of any document created by Western Asset that was material to making a decision how to vote proxies.
- d. Each written client request for proxy voting records and Western Asset's written response to both verbal and written client requests.
- e. A proxy log including:

1. Issuer name;
2. Exchange ticker symbol of the issuer's shares to be voted;
3. Committee on Uniform Securities Identification Procedures (CUSIP) number for the shares to be voted;
4. A brief identification of the matter voted on;
5. Whether the matter was proposed by the issuer or by a shareholder of the issuer;
6. Whether a vote was cast on the matter;

7. A record of how the vote was cast; and

8. Whether the vote was cast for or against the recommendation of the issuer's management team. Records are maintained in an easily accessible place for five years, the first two in Western Asset's offices.

Disclosure

Part II of the WA Form ADV, the WAML Form ADV and the WAMC Form ADV, each, contain a description of Western Asset's proxy policies. Clients will be provided a copy of these policies and procedures upon request. In addition, upon request, clients may receive reports on how their proxies have been voted.

Conflicts of Interest

All proxies are reviewed by the Legal and Compliance Department for material conflicts of interest. Issues to be reviewed include, but are not limited to:

1. Whether Western Asset (or, to the extent required to be considered by applicable law, its affiliates) manages assets for the company or an employee group of the company or otherwise has an interest in the company;
2. Whether Western Asset or an officer or director of Western Asset or the applicable portfolio manager or analyst responsible for recommending the proxy vote (together, "Voting Persons") is a close relative of or has a personal or business relationship with an executive, director or person who is a candidate for director of the company or is a participant in a proxy contest; and
3. Whether there is any other business or personal relationship where a Voting Person has a personal interest in the outcome of the matter before shareholders.

Voting Guidelines

Western Asset's substantive voting decisions turn on the particular facts and circumstances of each proxy vote and are evaluated by the designated research analyst or portfolio manager. The examples outlined below are meant as guidelines to aid in the decision making process.

Guidelines are grouped according to the types of proposals generally presented to shareholders. Part I deals with proposals which have been approved and are recommended by a company's board of directors; Part II deals with proposals submitted by shareholders for inclusion in proxy statements; Part III addresses issues relating to voting shares of investment companies; and Part IV addresses unique considerations pertaining to foreign issuers.

I. Board Approved Proposals

The vast majority of matters presented to shareholders for a vote involve proposals made by a company itself that have been approved and recommended by its board of directors. In view of the enhanced corporate governance practices currently being implemented in public companies, Western Asset generally votes in support of decisions reached by independent boards of directors. More specific guidelines related to certain board-approved proposals are as follows:

1. Matters relating to the Board of Directors

Western Asset votes proxies for the election of the company's nominees for directors and for board-approved proposals on other matters relating to the board of directors with the following exceptions:

- a. Votes are withheld for the entire board of directors if the board does not have a majority of independent directors or the board does not have nominating, audit and compensation committees composed solely of independent directors.
 - b. Votes are withheld for any nominee for director who is considered an independent director by the company and who has received compensation from the company other than for service as a director.
 - c. Votes are withheld for any nominee for director who attends less than 75% of board and committee meetings without valid reasons for absences.
 - d. Votes are cast on a case-by-case basis in contested elections of directors.
2. Matters relating to Executive Compensation

Western Asset generally favors compensation programs that relate executive compensation to a company's long-term performance. Votes are cast on a case-by-case basis on board-approved proposals relating to executive compensation, except as follows:

- a. Except where the firm is otherwise withholding votes for the entire board of directors, Western Asset votes for stock option plans that will result in a minimal annual dilution.
 - b. Western Asset votes against stock option plans or proposals that permit replacing or repricing of underwater options.
 - c. Western Asset votes against stock option plans that permit issuance of options with an exercise price below the stock's current market price.
 - d. Except where the firm is otherwise withholding votes for the entire board of directors, Western Asset votes for employee stock purchase plans that limit the discount for shares purchased under the plan to no more than 15% of their market value, have an offering period of 27 months or less and result in dilution of 10% or less.
3. Matters relating to Capitalization

The management of a company's capital structure involves a number of important issues, including cash flows, financing needs and market conditions that are unique to the circumstances of each company. As a result, Western Asset votes on a case-by-case basis on board-approved proposals involving changes to a company's capitalization except where Western Asset is otherwise withholding votes for the entire board of directors.

- a. Western Asset votes for proposals relating to the authorization of additional common stock.
- b. Western Asset votes for proposals to effect stock splits (excluding reverse stock splits).
- c. Western Asset votes for proposals authorizing share repurchase programs.

4. Matters relating to Acquisitions, Mergers, Reorganizations and Other Transactions

Western Asset votes these issues on a case-by-case basis on board-approved transactions.

5. Matters relating to Anti-Takeover Measures

Western Asset votes against board-approved proposals to adopt anti-takeover measures except as follows:

- a. Western Asset votes on a case-by-case basis on proposals to ratify or approve shareholder rights plans.
- b. Western Asset votes on a case-by-case basis on proposals to adopt fair price provisions.

6. Other Business Matters

Western Asset votes for board-approved proposals approving such routine business matters such as changing the company's name, ratifying the appointment of auditors and procedural matters relating to the shareholder meeting.

- a. Western Asset votes on a case-by-case basis on proposals to amend a company's charter or bylaws.
- b. Western Asset votes against authorization to transact other unidentified, substantive business at the meeting.

II. Shareholder Proposals

SEC regulations permit shareholders to submit proposals for inclusion in a company's proxy statement. These proposals generally seek to change some aspect of a company's corporate governance structure or to change some aspect of its business operations. Western Asset votes in accordance with the recommendation of the company's board of directors on all shareholder proposals, except as follows:

1. Western Asset votes for shareholder proposals to require shareholder approval of shareholder rights plans.
2. Western Asset votes for shareholder proposals that are consistent with Western Asset's proxy voting guidelines for board-approved proposals.
3. Western Asset votes on a case-by-case basis on other shareholder proposals where the firm is otherwise withholding votes for the entire board of directors.

III. Voting Shares of Investment Companies

Western Asset may utilize shares of open or closed-end investment companies to implement its investment strategies. Shareholder votes for investment companies that fall within the categories listed in Parts I and II above are voted in accordance with those guidelines.

1. Western Asset votes on a case-by-case basis on proposals relating to changes in the investment objectives of an investment company taking into account the original intent of the fund and the role the fund plays in the clients portfolios.

2. Western Asset votes on a case-by-case basis all proposals that would result in increases in expenses (e.g., proposals to adopt 12b-1 plans, alter investment advisory arrangements or approve fund mergers) taking into account comparable expenses for similar funds and the services to be provided.

IV. Voting Shares of Foreign Issuers

In the event Western Asset is required to vote on securities held in non-U.S. issuers i.e. issuers that are incorporated under the laws of a foreign jurisdiction and that are not listed on a U.S. securities exchange or the NASDAQ stock market, the following guidelines are used, which are premised on the existence of a sound corporate governance and disclosure framework. These guidelines, however, may not be appropriate under some circumstances for foreign issuers and therefore apply only where applicable.

1. Western Asset votes for shareholder proposals calling for a majority of the directors to be independent of management.
2. Western Asset votes for shareholder proposals seeking to increase the independence of board nominating, audit and compensation committees.
3. Western Asset votes for shareholder proposals that implement corporate governance standards similar to those established under U.S. federal law and the listing requirements of U.S. stock exchanges, and that do not otherwise violate the laws of the jurisdiction under which the company is incorporated.
4. Western Asset votes on a case-by-case basis on proposals relating to (1) the issuance of common stock in excess of 20% of a company's outstanding common stock where shareholders do not have preemptive rights, or (2) the issuance of common stock in excess of 100% of a company's outstanding common stock where shareholders have preemptive rights.

Retirement Accounts

For accounts subject to ERISA, as well as other Retirement Accounts, Western Asset is presumed to have the responsibility to vote proxies for the client. The Department of Labor (DOL) has issued a bulletin that states that investment managers have the responsibility to vote proxies on behalf of Retirement Accounts unless the authority to vote proxies has been specifically reserved to another named fiduciary. Furthermore, unless Western Asset is expressly precluded from voting the proxies, the DOL has determined that the responsibility remains with the investment manager.

In order to comply with the DOL's position, Western Asset will be presumed to have the obligation to vote proxies for its Retirement Accounts unless Western Asset has obtained a specific written instruction indicating that: (a) the right to vote proxies has been reserved to a named fiduciary of the client, and (b) Western Asset is precluded from voting proxies on behalf of the client. If Western Asset does not receive such an instruction, Western Asset will be responsible for voting proxies in the best interests of the Retirement Account client and in accordance with any proxy voting guidelines provided by the client.

ITEM 8. INVESTMENT PROFESSIONALS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.
(a)(1):

NAME AND ADDRESS	LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
S. Kenneth Leech Western Asset 385 East Colorado Blvd. Pasadena, CA 91101	Since 2013	Responsible for the day-to-day management with other members of the Fund's portfolio management team; Chief Investment Officer of Western Asset from 1998 to 2008 and since 2014; Senior Advisor/Chief Investment Officer Emeritus of Western Asset from 2008-2013; Co- Chief Investment Officer of Western Asset from 2013-2014.
Kevin J. Ritter Western Asset 385 East Colorado Blvd. Pasadena, CA 91101	Since 2015	Responsible for the day-to-day management with other members of the Fund's portfolio management team; employed by Western Asset Management as an investment professional for at least the past five years.
Gordon S. Brown Western Asset 385 East Colorado Blvd. Pasadena, CA 91101	Since 2012	Responsible for the day-to-day management with other members of the Fund's portfolio management team; employed by Western Asset Management as an investment professional since 2011; Prior to joining Western Asset, Mr. Brown was Senior Investment Manager of Emerging Market Rates and Currencies at Baillie Gifford & Co. from 2001 to 2011.
Chia-Liang Lian Western Asset 385 East Colorado Blvd. Pasadena, CA 91101	Since 2014	Responsible for the day-to-day management with other members of the Fund's portfolio management team; employed by Western Asset Management as an investment professional since 2011; Prior to joining Western Asset, Mr. Lian spent approximately six years with the Pacific Investment Management Company (PIMCO), where he served as Head of Emerging Asia Portfolio Management.

(a)(2): DATA TO BE PROVIDED BY FINANCIAL CONTROL

The following tables set forth certain additional information with respect to the fund's portfolio managers for the fund. Unless noted otherwise, all information is provided as of May 31, 2016.

Other Accounts Managed by Portfolio Managers

The table below identifies the number of accounts (other than the fund) for which the fund's portfolio managers have day-to-day management responsibilities and the total assets in such accounts, within each of the following categories: registered investment companies, other pooled investment vehicles, and other accounts. For each category, the number of accounts and total assets in the accounts where fees are based on performance is also indicated.

Name of PM	Type of Account	Number of Accounts Managed	Total Assets Managed	Number of	Assets
				Accounts Managed for which Advisory Fee is Performance-Based	Managed for which Advisory Fee is Performance-Based
S. Kenneth Leech	Other Registered Investment Companies	108	\$172.8 billion	None	None
	Other Pooled Vehicles	274	\$86.3 billion	7	\$1.5 billion
	Other Accounts	608	\$175.6 billion	69	\$18.4 billion
Gordon Brown	Other Registered Investment Companies	7	\$1.8 billion	None	None
	Other Pooled Vehicles	19	\$4.1 billion	1	\$120 million
	Other Accounts	75	\$24.6 billion	8	\$4.8 billion
Chia-Liang Lian	Other Registered Investment Companies	26	\$35.4 billion	None	None
	Other Pooled Vehicles	43	\$14.1 billion	1	\$120 million
	Other Accounts	153	\$30.3 billion	28	\$7.5 billion
Kevin J. Ritter	Other Registered Investment Companies	6	\$1.3 billion	None	None
	Other Pooled Vehicles	9	\$1.1 billion	None	None
	Other Accounts	38	\$3.0 billion	1	\$4 million

The numbers above reflect the overall number of portfolios managed by employees of Western Asset Management Company (Western Asset). Mr. Leech is involved in the management of all the Firm 's portfolios, but they are not solely responsible for particular portfolios. Western Asset 's investment discipline emphasizes a team approach that combines the efforts of groups of specialists working in different market sectors. They are responsible for overseeing implementation of Western Asset 's overall investment ideas and coordinating the work of the various sector teams. This structure ensures that client portfolios benefit from a consensus that draws on the expertise of all team members.

(a)(3): *Investment Professional Compensation*

With respect to the compensation of the investment professionals, Western Asset's compensation system assigns each employee a total compensation range, which is derived from annual market surveys that benchmark each role with its job function and peer universe. This method is designed to reward employees with total compensation reflective of the external market value of their skills, experience, and ability to produce desired results. Standard compensation includes competitive base salaries, generous employee benefits, and a retirement plan.

In addition, the subadviser's employees are eligible for bonuses. These are structured to closely align the interests of employees with those of the subadviser, and are determined by the professional's job function and pre-tax performance as measured by a formal review process. All bonuses are completely discretionary. The principal factor considered is an investment professional's investment performance versus appropriate peer groups and benchmarks (*e.g.*, a securities index and with respect to a fund, the benchmark set forth in the fund's Prospectus to which the fund's average annual total returns are compared or, if none, the benchmark set forth in the fund's annual report). Performance is reviewed on a 1, 3 and 5 year basis for compensation with 3 years having the most emphasis. The subadviser may also measure an investment professional's pre-tax investment performance against other benchmarks, as it determines appropriate. Because investment professionals are generally responsible for multiple accounts (including the funds) with similar investment strategies, they are generally compensated on the performance of the aggregate group of similar accounts, rather than a specific account. Other factors that may be considered when making bonus decisions include client service, business development, length of service to the subadviser, management or supervisory responsibilities, contributions to developing business strategy and overall contributions to the subadviser's business.

Finally, in order to attract and retain top talent, all professionals are eligible for additional incentives in recognition of outstanding performance. These are determined based upon the factors described above and include Legg Mason stock options and long-term incentives that vest over a set period of time past the award date.

Potential Conflicts of Interest

The subadviser has adopted compliance policies and procedures to address a wide range of potential conflicts of interest that could directly impact client portfolios. For example, potential conflicts of interest may arise in connection with the management of multiple portfolios (including portfolios managed in a personal capacity). These could include potential conflicts of interest related to the knowledge and timing of a portfolio's trades, investment opportunities and broker selection. Portfolio managers are privy to the size, timing, and possible market impact of a portfolio's trades.

It is possible that an investment opportunity may be suitable for both a portfolio and other accounts managed by a portfolio manager, but may not be available in sufficient quantities for both the portfolio and the other accounts to participate fully. Similarly, there may be limited opportunity to sell an investment held by a portfolio and another account. A conflict may arise where the portfolio manager may have an incentive to treat an account preferentially as compared to a portfolio because the account pays a performance-based fee or the portfolio manager, the subadviser or an affiliate has an interest in the account. The subadviser has adopted procedures for allocation of portfolio transactions and investment opportunities across multiple client accounts on a fair and equitable basis over time. Eligible accounts that can participate in a trade generally share the same price on a pro-rata allocation basis, taking into account differences based on factors such as cash availability, investment restrictions and guidelines, and portfolio composition versus strategy.

With respect to securities transactions, the subadviser determines which broker or dealer to use to execute each order, consistent with their duty to seek best execution of the transaction. However, with respect to certain other accounts (such as pooled investment vehicles that are not registered investment companies and other accounts managed for organizations and individuals), the subadviser may be limited by the client with respect to the selection of brokers or dealers or may be instructed to direct trades through a particular broker or dealer. In these cases, trades for a portfolio in a particular security may be placed separately from, rather than aggregated with, such other accounts. Having separate transactions with respect to a security may temporarily affect the market price of the security or the execution of the transaction, or both, to the possible detriment of a portfolio or the other account(s) involved. Additionally, the management of multiple portfolios and/or other accounts may result in a portfolio manager devoting unequal time and attention to the management of each portfolio and/or other account. The subadviser's team approach to portfolio management and block trading approach seeks to limit this potential risk.

The subadviser also maintains a gift and entertainment policy to address the potential for a business contact to give gifts or host entertainment events that may influence the business judgment of an employee. Employees are permitted to retain gifts of only a nominal value and are required to make reimbursement for entertainment events above a certain value. All gifts (except those of a de minimis value) and entertainment events that are given or sponsored by a business contact are required to be reported in a gift and entertainment log which is reviewed on a regular basis for possible issues.

Employees of the subadviser have access to transactions and holdings information regarding client accounts and the subadviser's overall trading activities. This information represents a potential conflict of interest because employees may take advantage of this information as they trade in their personal accounts. Accordingly, the subadviser maintains a Code of Ethics that is compliant with Rule 17j-1 under the Investment Company Act of 1940, as amended, and Rule 204A-1 under the Investment Advisers Act of 1940, to address personal trading. In addition, the Code of Ethics seeks to establish broader principles of good conduct and fiduciary responsibility in all aspects of the subadviser's business. The Code of Ethics is administered by the Legal and Compliance Department and monitored through the subadviser's compliance monitoring program.

The subadviser may also face other potential conflicts of interest with respect to managing client assets, and the description above is not a complete description of every conflict of interest that could be deemed to exist. The subadviser also maintains a compliance monitoring program and engages independent auditors to conduct a SOC1/ISAE 3402 audit on an annual basis. These steps help to ensure that potential conflicts of interest have been addressed.

Investment Professional Securities Ownership

The table below identifies the dollar range of securities beneficially owned by the named investment professional as of May 31, 2016.

<u>Portfolio Manager(s)</u>	Dollar Range of Portfolio Securities Beneficially Owned
S. Kenneth Leech	C
Gordon S. Brown	A
Chia-Liang Lian	A
Kevin J. Ritter	A

Dollar Range ownership is as follows:

A: none

B: \$1 - \$10,000

C: 10,001 - \$50,000

D: \$50,001 - \$100,000

E: \$100,001 - \$500,000

F: \$500,001 - \$1 million

G: over \$1 million

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

ITEM 11. CONTROLS AND PROCEDURES.

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- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.

- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a)(1) Code of Ethics attached hereto.

Exhibit 99.CODE ETH

(a)(2) Certifications pursuant to section 302 of the Sarbanes-Oxley Act of 2002 attached hereto.

Exhibit 99.CERT

(b) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 attached hereto.

Exhibit 99.906CERT

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this Report to be signed on its behalf by the undersigned, there unto duly authorized.

Western Asset Emerging Markets Income Fund Inc.

By: /s/ Jane Trust
Jane Trust
Chief Executive Officer

Date: July 22, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Jane Trust
Jane Trust
Chief Executive Officer

Date: July 22, 2016

By: /s/ Richard F. Sennett
Richard F. Sennett
Principal Financial Officer

Date: July 22, 2016