

GABELLI GLOBAL MULTIMEDIA TRUST INC
Form DEFC14A
May 17, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

Information Required in Proxy Statement

Schedule 14a Information

Proxy Statement Pursuant to Section 14(a) of The Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

THE GABELLI GLOBAL MULTIMEDIA TRUST, INC.
(Name of Registrant as Specified in Its Charter)

WESTERN INVESTMENT LLC
WESTERN INVESTMENT HEDGED PARTNERS L.P.
WESTERN INVESTMENT TOTAL RETURN PARTNERS L.P.
WESTERN INVESTMENT TOTAL RETURN FUND LTD.
ARTHUR D. LIPSON
JOSHUA MASSEY
DAVID MASSEY
GREGORY R. DUBE
(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials:

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

(6) Amount previously paid:

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

(8) Filing Party:

(9) Date Filed:

ANNUAL MEETING OF SHAREHOLDERS
OF
THE GABELLI GLOBAL MULTIMEDIA TRUST, INC.

PROXY STATEMENT
OF
WESTERN INVESTMENT LLC

Please support Western Investment by voting your shares today to elect Western Investment's highly qualified director nominees.

Western Investment LLC, a Delaware limited liability company ("Western Investment" or "we"), together with its fellow participants in this solicitation, collectively own 980,632 common shares, or 7.2% of the outstanding common shares of The Gabelli Global Multimedia Trust, Inc. ("Fund"). We are writing to you in connection with the election of our two nominees to the board of directors of the Fund (the "Board") at the annual meeting of shareholders scheduled to be held on June 8, 2010 at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, CT 06830, including any adjournments or postponements thereof and any meeting which may be called in lieu thereof (the "Annual Meeting"). This proxy statement and the enclosed GOLD proxy card are first being furnished to shareholders on or about May 17, 2010.

We are furnishing this proxy statement and the enclosed GOLD proxy card to shareholders in order to:

1. Elect two Western Investment nominees to the Board to serve as Directors of the Fund until the 2013 annual meeting of shareholders;
2. Approve David Massey's shareholder proposal that requests that the Board take the necessary steps to declassify the Board so that all Directors are elected on an annual basis; and
3. Transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

If you have already sent a proxy card furnished by the Fund's management to the Fund, you have every right to change your vote by signing, dating and returning the enclosed GOLD proxy card or by following the instructions for telephone or Internet voting detailed thereon. Only your latest dated proxy card counts!

Please refer to Appendix A - Information Concerning the Annual Meeting and the Fund's proxy materials for additional information concerning the Annual Meeting, including voting and proxy procedures, votes required for approval of the proposals and the solicitation of proxies.

If you have any questions or require assistance voting your shares, please contact Innisfree M&A Incorporated, which is assisting us, at their address and toll-free number listed on the following page.

Additional information may be found at:
www.fixmyfund.com

IMPORTANT

YOUR VOTE IS IMPORTANT, NO MATTER HOW MANY OR HOW FEW SHARES YOU OWN.

- If your shares are registered in your own name, you may vote such Shares by signing, dating and mailing the enclosed GOLD proxy card in the enclosed return envelope to Western Investment, c/o Innisfree M&A Incorporated, in the enclosed postage-paid envelope today.
- If your Shares are held for you by a brokerage firm, bank, bank nominee or other institution on the record date, only it can vote such Shares and only upon receipt of your specific instructions. Accordingly, please instruct your broker or bank to vote the GOLD proxy card on your behalf by following the instructions for Internet voting detailed on the enclosed GOLD proxy card, by calling the toll-free number contained therein, or by signing, dating and mailing the enclosed GOLD proxy card in the enclosed return envelope.

If you have any questions
or need assistance voting
your shares, please call:

Innisfree M&A
Incorporated
501 Madison Avenue,
20th Floor
New York, NY 10022

Stockholders Call
Toll-Free at: (888)
750-5834

Banks and Brokers Call
Collect at: (212)
750-5833

You may also contact
Western Investment LLC
via email at
info@fixmyfund.com

PLEASE BE ADVISED:

- We believe that the Fund's NAV discount is unacceptable.
- We believe that the Fund's performance has been abysmal.
- On March 5, 2010, the Fund sued Western Investment in federal court to enjoin it and the Western Entities from voting more than 3% of the outstanding shares of the Fund's stock at the upcoming annual meeting. Less than one month later, on April 1, 2010, the Fund's lawsuit was dismissed with prejudice. If Management did a better job, it wouldn't have to sue its shareholders to avoid being voted out.

BACKGROUND

Western Investment, together with the other participants in this solicitation, collectively own 980,632 common shares, or 7.2% of the Fund's outstanding common shares. We are committed to our investment in the Fund. If our investment in the Fund prospers, so does the investment of our fellow Fund shareholders.

We believe that the Fund's NAV discount is unacceptable

The Fund's Share price has traded at a persistent discount to its per Share net asset value ("NAV") that has averaged 14.54% from the week ended December 31, 1999 until the week ended January 1, 2010, and was as great as 30.63% on March 10, 2009. When a NAV discount is excessive, a selling shareholder is forced to leave behind a substantial portion of the value underlying the shares at the time of sale. We believe the fair value of a share of common stock of a closed-end fund should be its NAV, or a value very close.

The table below shows the discount of the Fund's Share price to the Fund's NAV for the past ten years (on the last day of each calendar quarter).

Quarter Ending	% Discount to NAV
December 31, 1999	5.78
March 31, 2000	15.35
June 30, 2000	26.08
September 30, 2000	15.78
December 31, 2000	15.54
March 31, 2001	9.37
June 30, 2001	14.74
September 30, 2001	13.08
December 31, 2001	14.35
March 31, 2002	13.21
June 30, 2002	14.22
September 30, 2002	14.59
December 31, 2002	16.56
March 31, 2003	15.87
June 30, 2003	13.79
September 30, 2003	13.46
December 31, 2003	14.11
March 31, 2004	14.87
June 30, 2004	15.42
September 30, 2004	14.71
December 31, 2004	12.96
March 31, 2005	14.46
June 30, 2005	13.30
	14.47

September 30, 2005	
December 31, 2005	13.76
March 31, 2006	14.07
June 30, 2006	14.08
September 30, 2006	12.55
December 31, 2006	12.98
March 31, 2007	12.29
June 30, 2007	10.85
September 30, 2007	12.28
December 31, 2007	10.42
March 31, 2008	13.57
June 30, 2008	13.84
September 30, 2008	16.67
December 31, 2008	17.59
March 31, 2009	22.60
June 30, 2009	21.57
September 30, 2009	15.50
December 31, 2009	14.16

We believe that the Board has failed to take adequate action to reduce the Fund's persistent NAV discount.

In 2000, the Fund diluted the share base by over 3.5 million shares (roughly 1/3 of the outstanding shares at the time) in a rights offering. Although, in 2005, the Board authorized the Fund to repurchase up to 1,700,000 shares of its common stock on the open market when the shares are trading at a discount of 10% or more from net asset value, the amount of share dilution from the rights offering far outweighed the authorized share buyback of 1.7 million shares, let alone the shares actually purchased by the Fund. As illustrated in the table below, the average annual share repurchases for the period ending December 31, 2005 through December 31, 2009, have been less than ½ of 1% of the outstanding shares of the Fund as of 12/31/2009.

Year Ending	Shares Repurchased
December 31, 2005	139,500
December 31, 2006	12,400
December 31, 2007	17,000
December 31, 2008	7,200
December 31, 2009	183,400
5-year average	71,900

We believe that a Board who truly had the best interests of shareholders in mind would have taken more effective action, including aggressive repurchases of shares which would have been accretive to NAV and earnings per share, to address the substantial discount to the Fund's per share net asset value.

We believe that the Fund's performance has been abysmal

According to the Fund's most recent annual report (the "2009 Annual Report"), the Fund had an average annual return of negative 5.2% on a net asset value basis (a loss of 41.4% on a cumulative basis) for the 10 years ending December 31, 2009. For comparison, the Fund's benchmark, the MSCI World Free Index, had an average annual return of negative 0.24% during that same period. For the five years ending December 31, 2009, the Fund had an average annual return of negative 4.92% versus a positive 2.01% average annual return for the MSCI World Free Index. So how does this Board respond? Approve tender offers to provide shareholders with the ability to realize NAV on at least some of their shares? No. De-stagger the Board to increase accountability of directors? No. What then? They sue their own shareholders to try to prevent them from voting all of the Shares at the upcoming 2010 Annual Meeting of Shareholders!

On March 5, 2010, the Fund sued Western Investment and the Western Entities in federal district court in Baltimore, seeking an injunction to prevent them from collectively voting more than 3% of the outstanding shares of the Fund's stock at the upcoming 2010 Annual Meeting of Shareholders. The Fund hired two of the largest law firms in the United States, and was represented by at least 6 lawyers! Western Investment moved to dismiss this lawsuit immediately, and on April 1, 2010, the Fund's lawsuit was dismissed with prejudice.

SERIOUS ACTION BY THE BOARD IS NEEDED. SEND A MESSAGE BY VOTING FOR THE WESTERN INVESTMENT SLATE ON THE ENCLOSED GOLD PROXY CARD.

PROPOSAL NO. 1: ELECTION OF DIRECTORS

The following information sets forth the name, age, business address, present principal occupation, and employment and material occupations, positions, offices, or employments for the past five years of each of our nominee directors (the “Nominees”).

THE NOMINEES

Gregory R. Dube (Age 55) is the founder of Roseheart Associates (“Roseheart”), a private company that invests in securities and real estate, and has served as managing member and Chairman since its inception in 1997. From 1998 to 2002, Mr. Dube was at Alliance Capital, where he served as the head of the Global High Yield Group from 1999 to 2002. Before joining Alliance Capital, Mr. Dube was a partner at Donaldson, Lufkin & Jenrette, responsible for the Tax-Exempt Capital Markets Division. Mr. Dube has an extensive background in the credit securities markets, including experience with trading and selling credit instruments, including corporate, high-yield, private placement, mortgage, Euro and distressed debt and derivatives. Mr. Dube currently serves on the Advisory Committee of New England Realty Associates Limited Partnership (AMEX:NEN), a partnership engaged in the business of acquiring, developing, holding for investment, operating and selling real estate, and as a member of the executive committee of Navigare Partners, LLC. Mr. Dube received his A.B. from Harvard College and was a Rhodes Scholar Nominee. Mr. Dube’s extensive investment experience, background in the credit securities markets and public board experience provides unique insight to challenges and issues facing the Fund.

Arthur D. Lipson (Age 67) has been managing private investment partnerships since 1995. He has been the sole managing member of Western Investment which has acted as the general partner, managing member or investment manager, as the case may be, of private investment partnerships in certain funds since 1997. Western Investment specializes in investing in undervalued companies. Mr. Lipson has additional substantial experience in sales and trading and research, including previously heading all fixed income research for Lehman Brothers and for Paine Webber, was a known leader in the industry, and created, among other things, the Lehman Brothers bond indices. From 2007 to 2008, Mr. Lipson served as a director of Pioneer Municipal and Equity Income Trust (“PBF”), during which time Mr. Lipson oversaw the elimination of a 17% discount to PBF’s net asset value and the merger of PBF into Pioneer Tax Free Income Fund, an open-end fund. Mr. Lipson received a Masters of Science from Columbia University and a Bachelors of Science from the California Institute of Technology. Mr. Lipson’s extensive investment experience, particularly with respect to closed-end funds, gives him strong insight into the challenges and issues facing the Fund.

There can be no assurance that the election of our Nominees will improve the Fund’s business or otherwise enhance shareholder value. Your vote to elect the Nominees will have the legal effect of replacing two incumbent directors of the Fund with our Nominees.

The election of the Nominees requires the affirmative vote of a plurality of the Shares voted at the meeting, provided a quorum is present.

For additional information concerning our Nominees, see Appendix B - Information Concerning the Nominees.

**YOU ARE URGED TO VOTE FOR THE ELECTION OF WESTERN INVESTMENT’S NOMINEES ON THE
ENCLOSED GOLD PROXY CARD.**

PROPOSAL NO. 2

DECLASSIFICATION OF THE BOARD OF DIRECTORS

The Fund claims that a classified Board provides “important benefits” to the Fund and its shareholders. We disagree and question how such concepts as “allowing the Directors to become familiar with the Fund and its investment objectives” and providing “stability and continuity of management” have correlated to better performance when the Fund has traded at a persistent discount to NAV over the past 10 years. We believe that a classified Board at the Fund serves only to entrench under-performing directors and management.

Accordingly, we support the following proposal, submitted by shareholder David Massey, for shareholder approval at the annual meeting.

Shareholder Proposal

BE IT RESOLVED, that the stockholders of The Gabelli Global Multimedia Trust, Inc. (“GGT” or the “Corporation”) request that the Board of Directors take the necessary steps to declassify the Board of GGT and establish annual elections of directors whereby directors of the Corporation would be elected annually and not by classes. This policy would take effect immediately, and be applicable to the re-election of any incumbent director whose term, under the current classified system, subsequently expires.

Supporting Statement:

I believe that the ability to elect directors is the single most important use of the stockholder franchise. Accordingly, directors of GGT should be accountable to the stockholders on an annual basis. Currently, the Board of Directors is divided into three classes. Each class serves staggered three-year terms. Because of this structure, stockholders may only vote on roughly one-third of the directors each year. The election of directors by classes, for three-year terms, in my opinion, minimizes accountability and precludes the full exercise of the rights of the stockholders to approve or disapprove annually the performance of a director or the entire Board.

The staggered term structure of the Corporation’s Board is not in the best interest of stockholders because it reduces accountability and is an unnecessary anti-takeover device. Stockholders should have the opportunity to vote on the performance of the entire Board of Directors each year. I feel that such annual accountability serves to keep directors closely focused on the performance of the Corporation and its top executives and on increasing stockholder value. Annual election of all directors gives stockholders the power to either completely replace their Board, or replace a majority of directors, if a situation arises which warrants such action.

There are indications from studies that classified boards and other anti-takeover devices have an adverse impact on stockholder value. A 1991 study by Lilli Gordon of the Gordon Group and John Pound of Harvard University found that companies with restrictive corporate governance structures, including those with classified boards, are “significantly less likely to exhibit outstanding long-term performance relative to their industry peers.” See also Council of Institutional Investors Corporate Governance Policies (Updated May 1, 2009), at Section 2.1 “Annual Election of Directors: All directors should be elected annually. Boards should not be classified (staggered).”

I urge your support for the proposal to repeal the classified Board of Directors of GGT and establish that all directors of GGT be elected annually. Thank you.

Very truly yours,

/s/ David Massey

The approval of this proposal requires the affirmative vote of a majority of the votes cast at the Annual Meeting on the proposal, provided a quorum is present. The Fund may choose not to adopt this proposal even if shareholders approve of the proposal at the Annual Meeting.

**VOTE FOR THIS PROPOSAL TO SEND A MESSAGE TO THE BOARD THAT YOU WANT A GREATER
VOICE IN THE CORPORATE GOVERNANCE OF THE FUND AND TO INCREASE THE ACCOUNTABILITY
OF THE BOARD**

VOTING AND PROXY PROCEDURES

The Fund has set the close of business on April 1, 2010 as the record date for determining shareholders entitled to notice of and to vote at the annual meeting (the "Record Date"). Shareholders of record at the close of business on the record date will be entitled to vote at the annual meeting. According to the Fund, as of the record date, there were 13,670,353 shares of common stock (the "Shares") outstanding.

VOTES REQUIRED FOR APPROVAL

The election of a director of the Fund requires the affirmative vote of the holders of a plurality of votes cast at the meeting, provided a quorum is present.

The approval of our shareholder proposal recommending that the Board take the necessary steps to declassify the Board requires the affirmative vote of a majority of the votes cast at the meeting on the proposal, provided a quorum is present.

The information set forth above regarding the votes required for approval of the proposals is based on information contained in the Fund's proxy statement. The incorporation of this information in this proxy statement should not be construed as an admission by us that such process and procedures are legal, valid or binding.

ABSTENTIONS

Abstentions will be counted for the purpose of determining whether a quorum is present. Abstentions will not be counted as votes cast on any proposal set forth in this proxy statement. Accordingly, abstentions will have the effect of a vote against the election of Western Investment's Nominees.

DISCRETIONARY VOTING

Shares held in "street name" and held of record by banks, brokers or nominees may not be voted by such banks, brokers or nominees unless the beneficial owners of such Shares provide them with instructions on how to vote.

For additional and related information concerning the voting and proxy procedures for the Annual Meeting, see Appendix A - Information Concerning the Annual Meeting.

IF YOU WISH TO VOTE FOR THE ELECTION OF OUR NOMINEES TO THE BOARD OR FOR OUR SHAREHOLDER PROPOSAL, PLEASE VOTE YOUR SHARES BY TELEPHONE OR INTERNET, AS DESCRIBED IN THE ENCLOSED GOLD PROXY CARD, OR BY SIGNING, DATING AND RETURNING PROMPTLY THE ENCLOSED GOLD PROXY CARD, IN THE POSTAGE-PAID ENVELOPE PROVIDED.