

**DIVIDEND AND INCOME FUND
ANNOUNCES NEW QUARTERLY PAYMENT SCHEDULE AND
NEW TRANSFER AGENT**

NEW YORK – July 1, 2011 – The Board of Directors of [Dividend and Income Fund, Inc.](#) (NYSE: DNI) (NAV: XDNIX) (the “Fund”) is pleased to announce that it has approved changing the Fund’s distribution schedule to quarterly dividend distributions, effective with the quarter beginning July 1, 2011, in order to accommodate the complexities of stock transfer recordkeeping and other matters in connection with the proposed rights offering announced on June 30, 2011, as well as to seek economic and administrative efficiencies.

It is anticipated that the per share quarterly dividend distributions will reflect the current managed distribution policy to provide shareholders with a relatively stable cash flow and to attempt to reduce or eliminate the Fund’s market price discount to its net asset value per share. The amount of the distributions may vary depending on the net asset value per share at the time of declaration, the distributions required for the Fund to continue to qualify as a regulated investment company under the Internal Revenue Code, or a combination of both. The policy may be changed or discontinued without notice.

The Fund currently anticipates that, subject to actual declaration, the next dividend would be for shareholders of record on September 15, 2011 and paid on September 30, 2011. In this connection, to pursue further economic and administrative efficiencies, the Fund is pleased to announce that it has appointed IST Shareholder Services, 209 West Jackson Boulevard, Suite, 903, Chicago, IL 60606, 1-800-757-5755, as its new transfer and dividend disbursing agent.

About the Fund

The Fund is a closed end fund with the primary investment objective of providing its shareholders a high level of income. Capital appreciation is a secondary objective. The Fund seeks to achieve its objectives by investing, under normal circumstances, at least 50% of its total assets in income generating equity securities. Recently, the Fund’s net asset value per share was \$4.55 and closing market price was \$4.32. While investment return and value will vary and shares of the Fund may subsequently be worth more or less than their original cost, this represents an opportunity for investors to purchase the Fund’s shares at a discount to their underlying value.

Bexil Advisers LLC is the Fund’s investment manager. Bexil Advisers LLC is a wholly owned subsidiary of Bexil Corporation (BXLC), a holding company. To learn more about Bexil Corporation, including Rule 15c2-11 information, please visit www.bexil.com. For Fund stockholder related questions, please call 1-212-785-0400. Certain affiliates of Bexil are engaged in stock market and [gold investing](#) through investment management of equity and [gold mutual funds](#) and [closed end funds](#).

Safe Harbor Note

This release contains certain “forward looking statements” made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Fund, which may cause the Fund’s actual results to be materially different from those expressed or implied by such statements. The forward looking statements made herein are only made as of the date of this release, and the Fund undertakes no obligation to publicly update such forward looking statements to reflect subsequent events or circumstances.

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