

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE TO**

Tender Offer Statement under Section 14(d)(1) or 13(e)(1)  
of the Securities Exchange Act of 1934

**FS INVESTMENT CORPORATION**

(Name of Subject Company (Issuer))

**FS INVESTMENT CORPORATION**

(Names of filing Persons (Offeror and Issuer))

**Common Stock, Par Value \$0.001 per share**

(Title of Class of Securities)

**302635 107**

(CUSIP Number of Class of Securities)

(Underlying Common Stock)

**Michael C. Forman**  
**President and Chief Executive Officer**

**FS Investment Corporation**

**Cira Centre**

**2929 Arch Street, Suite 675**

**Philadelphia, PA 19104**

**(215) 495-1150**

(Name, address and telephone number of person authorized to receive  
notices and communications on behalf of filing person)

*Copies to:*

**James A. Lebovitz, Esq.**

**Thomas J. Friedmann, Esq.**

**Dechert LLP**

**Cira Centre**

**2929 Arch Street**

**Philadelphia, PA 19104**

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**CALCULATION OF FILING FEE**

TRANSACTION VALUATION

\$22,689,464.04

AMOUNT OF FILING FEE

\$2,600.21\*

\* The Filing Fee is calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, and equals \$114.60 for each \$1,000,000 of the value of the transaction.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify persons filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not Applicable

Form or Registration No.: Not Applicable

Filing Party: Not Applicable

Date Filed: Not Applicable

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

Third-party tender offer subject to Rule 14d-1.

Issuer tender offer subject to Rule 13e-4.

Going-private transaction subject to Rule 13e-3.

Amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

**Item 1. Summary Term Sheet.**

The information set forth in the section of the Offer to Purchase, dated August 20, 2012 (the **“Offer to Purchase”**), attached hereto as Exhibit 99(a)(1)(A), entitled **“Summary Term Sheet,”** is incorporated herein by reference.

**Item 2. Subject Company Information.**

(a) **Name and Address.** The name of the issuer is FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland (**“FSIC”** or the **“Company”**); the address of its principal executive office is Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104; and the telephone number of its principal executive office is (215) 495-1150.

(b) **Securities.** This Tender Offer Statement on Schedule TO relates to an offer by the Company to purchase up to 2,334,307 shares of the Company’s issued and outstanding common stock, par value \$0.001 per share (the **“Shares”**) (which number represents 2.5% of the weighted average number of Shares outstanding for the calendar year ended December 31, 2011). As of August 15, 2012, there were 248,342,719 Shares issued and outstanding. The Company’s public offering closed to new investors in May 2012. As a result, the offer is for cash at a price equal to 90% of the price per Share determined as of October 1, 2012 in the same manner that the Company determined the offering price per Share for purposes of its public offering (the **“Purchase Price”**). The offer is made upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal (which together with any amendments or supplements thereto collectively constitute the **“Offer”**). As an example of the calculation of the Purchase Price, the Share price on August 1, 2012, the date of the Company’s most recent monthly closing in connection with the Company’s issuance of Shares pursuant to its distribution reinvestment plan, was \$10.80 per Share; 90% of this amount would equal a Purchase Price of \$9.72 per Share.

The information set forth in the Offer to Purchase is incorporated herein by reference.

(c) **Trading Market and Price.** The Shares are not currently traded on an established trading market.

**Item 3. Identity and Background of Filing Person.**

(a) **Name and Address.** The Company is the filing person and the subject company. The information set forth under Item 2(a) above and in the Offer to Purchase under Section 9 (**“Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares”**) is incorporated herein by reference.

**Item 4. Terms of the Transaction.**

(a) **Material Terms.** The information set forth in the Offer to Purchase under the **“Summary Term Sheet,”** Section 1 (**“Purchase Price; Number of Shares; Expiration Date”**), Section 3 (**“Certain Conditions of the Offer”**), Section 4 (**“Procedures for Tendering Shares”**), Section 5 (**“Withdrawal Rights”**), Section 6 (**“Payment for Shares”**), Section 9 (**“Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares”**), Section 10 (**“Certain Effects of the Offer”**), Section 13 (**“Certain United States Federal Income Tax Consequences”**) and Section 14 (**“Amendments; Extension of Tender Period; Termination”**) is incorporated herein by reference.

(b) **Purchases.** The information set forth in the Offer to Purchase under Section 9 (**“Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares”**) is incorporated herein by reference.

**Item 5. Past Contacts, Transactions, Negotiations and Agreements.**

(e) **Agreements Involving the Subject Company's Securities.** The information set forth in the Offer to Purchase under Section 9 ("Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference. To the best of its knowledge, FSIC does not know of any contract, arrangement, understanding or relationship relating, directly or indirectly, to the Offer (whether or not legally enforceable) between FSIC, any of its executive officers or directors, any person controlling FSIC or any officer or director of any corporation ultimately in control of FSIC and any person with respect to any securities of FSIC (including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, or the giving or withholding of proxies, consents or authorizations).

**Item 6. Purposes of the Transaction and Plans or Proposals.**

(a) **Purposes.** The information set forth in the Offer to Purchase under Section 2 ("Purpose of the Offer; Plans or Proposals of the Company") is incorporated herein by reference.

(b) **Use of Securities Acquired.** The information set forth in the Offer to Purchase under Section 10 ("Certain Effects of the Offer") is incorporated herein by reference.

(c) **Plans.** Except as previously disclosed by the Company or as referred to in the Offer to Purchase under Section 2 ("Purpose of the Offer; Plans or Proposals of the Company"), Section 7 ("Source and Amount of Funds") and Section 10 ("Certain Effects of the Offer"), each of which is incorporated herein by reference, the Company does not have any present plans or proposals and is not engaged in any negotiations that relate to or would result in:

- (a) any extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries;
- (b) other than in connection with transactions in the ordinary course of the Company's operations and for purposes of funding the Offer, any purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries;
- (c) any material change in the Company's present dividend rate or policy, or indebtedness or capitalization of the Company;
- (d) any change in the present board of directors or management of the Company, including, but not limited to, any plans or proposals to change the number or the term of directors or to fill any existing vacancies on the Board or to change any material term of the employment contract of any executive officer;
- (e) any other material change in the Company's corporate structure or business, including any plans or proposals to make any changes in the Company's investment policy for which a vote would be required by Section 13 of the Investment Company Act of 1940, as amended;
- (f) any class of equity securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an automated quotations system operated by a national securities association;
- (g) any class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act or 1934, as amended (the "**Exchange Act**");
- (h) the suspension of the Company's obligation to file reports pursuant to Section 15(d) of the Exchange Act;
- (i) other than in connection with transactions in the ordinary course of the Company's operations, the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; or

(j) any changes in the Company's charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of the Company.

**Item 7. Source and Amount of Funds or Other Consideration.**

- (a) **Source of Funds.** The information set forth in the Offer to Purchase under Section 7 ("Source and Amount of Funds") is incorporated herein by reference.
- (b) **Conditions.** Not applicable.
- (d) **Borrowed Funds.** Not applicable.

**Item 8. Interest in Securities of the Subject Company.**

- (a) **Securities Ownership.** The information set forth in the Offer to Purchase under Section 9 ("Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.
- (b) **Securities Transactions.** The information set forth in the Offer to Purchase under Section 9 ("Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

**Item 9. Persons/Assets, Retained, Employed, Compensated or Used.**

- (a) **Solicitations or Recommendations.** Not applicable.

**Item 10. Financial Statements.**

- (a) **Financial Information.** Not applicable. Financial statements have not been included because the consideration offered to security holders consists solely of cash; the Offer is not subject to any financing condition; and the Company is a public reporting company under Section 13(a) of the Exchange Act and files its reports electronically on the EDGAR system.
- (b) **Pro Forma Financial Information.** Not applicable.

**Item 11. Additional Information.**

**(a) Agreements, Regulatory Requirements and Legal Proceedings.**

- (1) The information set forth in the Offer to Purchase under Section 9 ("Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.
- (2)-(5) Not applicable.

- (b) **Other Material Information.** The entire text of the Offer to Purchase and the related Letter of Transmittal, attached hereto as Exhibit 99(a)(1)(A) and Exhibit 99(a)(1)(B), respectively, are incorporated herein by reference.

**Item 12. Exhibits.**

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
99(a)(1)(A)	Offer to Purchase, dated August 20, 2012.
99(a)(1)(B)	Form of Letter of Transmittal.
99(a)(1)(C)	Form of Notice of Withdrawal.
99(a)(1)(D)	Letter to Stockholders, dated August 20, 2012.

**Item 13. Information Required by Schedule 13E-3.**

Not applicable.

**SIGNATURE**

After due 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: August 20, 2012

**FS INVESTMENT CORPORATION**

By: /s/ MICHAEL C. FORMAN  
Name: Michael C. Forman  
Title: President and Chief Executive Officer

**FS INVESTMENT CORPORATION**  
**OFFER TO PURCHASE SHARES OF COMMON STOCK FOR CASH**  
**AT A PURCHASE PRICE EQUAL**  
**TO 90% OF THE PRICE PER SHARE AS OF OCTOBER 1, 2012**  
**LETTER OF TRANSMITTAL MUST BE RECEIVED BY FS INVESTMENT CORPORATION**  
**ON OR BEFORE SEPTEMBER 25, 2012**  
**THE OFFER WILL EXPIRE AT 5:00 P.M., CENTRAL TIME, ON**  
**SEPTEMBER 25, 2012, UNLESS THE OFFER IS EXTENDED.**

To the Stockholders of FS Investment Corporation:

FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland (the “*Company*,” “*we*,” or “*us*”), is offering to purchase up to 2,334,307 shares of our issued and outstanding common stock, par value \$0.001 per share (the “*Shares*”) (which number represents 2.5% of the weighted average number of Shares outstanding for the calendar year ended December 31, 2011). The purpose of this Offer (as defined below) is to provide stockholders with liquidity, because there is otherwise no public market for the Shares. See Section 2 below. The Company’s public offering closed to new investors in May 2012. As a result, the Offer is for cash at a price equal to 90% of the price per Share determined as of October 1, 2012 in the same manner that the Company determined the offering price per Share for purposes of its public offering (the “*Purchase Price*”). The Offer is made upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the “*Offer*”). As an example of the calculation of the Purchase Price, the Share price on August 1, 2012, the date of our most recent monthly closing in connection with our issuance of Shares pursuant to our distribution reinvestment plan, was \$10.80 per Share; 90% of this amount would equal a Purchase Price of \$9.72 per Share. The Offer will expire at 5:00 P.M., Central Time, on September 25, 2012 (the “*Expiration Date*”), unless extended.

**THE OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 3 BELOW.**

**IMPORTANT INFORMATION**

Stockholders who desire to tender their Shares should either: (i) properly complete and sign the Letter of Transmittal, provide thereon the original of any required signature guarantee(s) and mail or deliver it and any other documents required by the Letter of Transmittal; or (ii) request their broker, dealer, commercial bank, trust company or other nominee to effect the transaction on their behalf. Stockholders who desire to tender Shares registered in the name of such a firm must contact that firm to effect a tender on their behalf. Tendering stockholders will not be obligated to pay brokerage commissions in connection with their tender of Shares, but they may be charged a fee by such a firm for processing the tender(s). The Company reserves the absolute right to reject tenders determined not to be in appropriate form.

**IF YOU DO NOT WISH TO TENDER YOUR SHARES, YOU NEED NOT TAKE ANY ACTION.**

**NONE OF THE COMPANY, ITS BOARD OF DIRECTORS (THE “*BOARD*”) OR FB INCOME ADVISOR, LLC, THE COMPANY’S INVESTMENT ADVISER (“*FB ADVISOR*”), MAKES ANY RECOMMENDATION TO ANY STOCKHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING SHARES. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY, THE BOARD OR FB ADVISOR AS TO WHETHER STOCKHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING SHARES PURSUANT TO THE OFFER OR TO MAKE ANY REPRESENTATION OR TO GIVE ANY INFORMATION IN CONNECTION WITH THE OFFER OTHER THAN AS CONTAINED HEREIN OR IN THE ACCOMPANYING LETTER OF TRANSMITTAL. IF MADE OR GIVEN, ANY SUCH RECOMMENDATION, REPRESENTATION OR INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE BOARD OR FB ADVISOR. STOCKHOLDERS ARE URGED TO EVALUATE CAREFULLY ALL INFORMATION IN THE OFFER, CONSULT THEIR OWN INVESTMENT AND TAX ADVISORS AND MAKE THEIR OWN DECISIONS WHETHER TO TENDER OR REFRAIN FROM TENDERING THEIR SHARES.**

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory authority has approved or disapproved of these transactions or determined if the information contained herein is truthful or complete. Any representation to the contrary is a criminal offense.

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The date of this Offer to Purchase is August 20, 2012.

*The Offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any circumstances or jurisdiction in which such offer or solicitation is unlawful. The delivery of the Offer materials shall not under any circumstances create any implication that the information contained therein is current as of any time subsequent to the date of such information.*

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## SUMMARY TERM SHEET

(Section references are to this Offer to Purchase)

This Summary Term Sheet highlights the material information concerning this Offer. For a more complete discussion of the terms and conditions of the Offer, you should read carefully the entire Offer to Purchase and the related Letter of Transmittal, which will be mailed to stockholders on or before August 27, 2012.

### What is the Offer?

- We are offering to purchase up to 2,334,307 Shares (which number represents 2.5% of the weighted average number of Shares outstanding for the calendar year ended December 31, 2011). The Company's public offering closed to new investors in May 2012. As a result, the Offer is for cash at a price equal to 90% of the price per Share determined as of October 1, 2012 in the same manner that the Company determined the offering price per Share for purposes of its public offering (the "**Purchase Price**"), upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal. As an example of the calculation of the Purchase Price, the Share price on August 1, 2012, the date of our most recent monthly closing in connection with our issuance of Shares pursuant to our distribution reinvestment plan, was \$10.80 per Share; 90% of this amount would equal a Purchase Price of \$9.72 per Share.

### Why is the Company making the tender offer?

- The Offer is designed to provide a measure of liquidity to holders of Shares, for which there is otherwise no current public market. We intend to make quarterly repurchase offers for our Shares. See Section 2 below.

### When will the Offer expire, and may the Offer be extended?

- The Offer will expire at 5:00 P.M., Central Time, on September 25, 2012, unless extended. The Company may extend the period of time the Offer will be open by issuing a press release or making some other public announcement by no later than 9:00 A.M., Eastern Time, on the next business day after the Offer otherwise would have expired. See Section 14 below.

### What is the most recent price per Share?

- Our public offering closed to new investors in May 2012. However, the Share price on August 1, 2012, the date of our most recent monthly closing in connection with our issuance of Shares pursuant to our distribution reinvestment plan, was \$10.80 per Share.

### Are there conditions to the Offer?

- Yes. You must either tender at least 25% of the Shares you purchased in any offering by the Company or all of the Shares that you own. If you choose to tender only a portion of your Shares, you must maintain a minimum balance of \$5,000 worth of Shares following the tender of Shares for repurchase. If the amount of repurchase requests exceeds the number of Shares we seek to repurchase, we will repurchase Shares on a pro rata basis. See Section 3 below for a more complete description of the conditions to the Offer.

### How do I tender my Shares?

- If your Shares are registered in your name, you should obtain the Offer, which consists of the Offer to Purchase, the related Letter of Transmittal and any amendments or supplements thereto, read the materials, and if you should decide to tender, complete a Letter of Transmittal and submit any other documents required by the Letter of Transmittal. These materials must be received by the Company at the address listed on page 9 of this Offer to Purchase, in proper form, before 5:00 P.M., Central Time,

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on September 25, 2012 (unless the Offer is extended by the Company, in which case the new deadline will be as stated in the public announcement of the extension). If your Shares are held by a broker, dealer, commercial bank, trust company or other nominee (i.e., in “street name”), you should contact that firm to obtain the package of information necessary to make your decision, and you can only tender your Shares by directing that firm to complete, compile and deliver the necessary documents for submission to the Company by 5:00 P.M., Central Time, on September 25, 2012 (or if the Offer is extended, the expiration date as extended). See Section 4 below.

### **Is there any cost to me to tender?**

- There is no cost charged by the Company in connection with this Offer. Your broker, dealer, commercial bank, trust company or other nominee may charge you fees according to its individual policies.

### **May I withdraw my Shares after I have tendered them and, if so, by when?**

- Yes, you may withdraw your Shares at any time prior to the expiration of the Offer (including any extension period) by submitting a Notice of Withdrawal to the Company at the address listed on page 9 of this Offer to Purchase. In addition, you may withdraw your tendered Shares any time after October 24, 2012 (which is 40 business days after the commencement of the Offer), if they have not been accepted for payment by that date. See Section 5 below.

### **How do I withdraw tendered Shares?**

- A Notice of Withdrawal of tendered Shares must be timely received by the Company, which specifies the name of the stockholder who tendered the Shares, the number of Shares being withdrawn and other information. See Section 5 below and the Form of Notice of Withdrawal which accompanies this Offer.

### **May I place any conditions on my tender of Shares?**

- No.

### **Is there a limit on the number of Shares I may tender?**

- No. However, we are limiting the aggregate number of Shares to be repurchased from all stockholders to 2,334,307 Shares (which number represents 2.5% of the weighted average number of Shares outstanding for the calendar year ended December 31, 2011). In addition, a stockholder who tenders some but not all of his or her Shares for repurchase will be required to maintain a minimum balance of \$5,000 worth of Shares following a tender of Shares for repurchase. See Section 1 below.

### **What if more than the amount of Shares offered for repurchase are tendered (and not timely withdrawn)?**

- The Company will purchase duly tendered Shares from tendering stockholders pursuant to the terms and conditions of the Offer on a pro rata basis in accordance with the number of Shares tendered by each stockholder (and not timely withdrawn).

### **If I decide not to tender, how will the Offer affect the Shares I hold?**

- Your percentage ownership interest in the Company will increase after completion of the Offer. See Section 10 below.

### **Does the Company have the financial resources to make payment for Shares accepted in the Offer?**

- Yes. See Section 7 below.

**If Shares I tender are accepted by the Company, when will payment be made?**

- Payment for properly tendered Shares (not timely withdrawn) will be made promptly following expiration of the Offer. See Section 6 below.

**Is my sale of Shares in the Offer a taxable transaction?**

- For most stockholders, yes. We anticipate that U.S. Stockholders, other than those who are tax-exempt, who sell Shares in the Offer will recognize gain or loss for U.S. federal income tax purposes equal to the difference between the cash they receive for the Shares sold and their adjusted basis in the Shares. The sale date for tax purposes will be the date the Company accepts Shares for purchase. See Section 13 below for details, including the nature of the income or loss and the possibility of other tax treatment. Section 13 also discusses the treatment of Non-U.S. Stockholders. Please consult your tax advisor as well.

**Is the Company required to complete the Offer and purchase all Shares tendered, assuming the total Shares tendered are less than the total Shares offered?**

- Under most circumstances, yes. There are certain circumstances, however, in which the Company will not be required to purchase any Shares tendered, as described in Section 3 below.

**Is there any reason Shares tendered would not be accepted?**

- In addition to those circumstances described in Section 3 in which the Company is not required to accept tendered Shares, the Company has reserved the right to reject any and all tenders determined by it not to be in appropriate form. For example, tenders will be rejected if the tender does not include original signature(s) or the original of any required signature guarantee(s).

**How will tendered Shares be accepted for payment?**

- Properly tendered Shares will be accepted for payment by the Company promptly following expiration of the Offer. See Section 6 below.

**What action need I take if I decide not to tender my Shares?**

- None.

**Does management encourage stockholders to participate in the Offer, and will they participate in the Offer?**

- No. None of the Company, the Board or FB Advisor is making any recommendation to tender or not to tender Shares in the Offer. Based upon information provided or available to us, none of our directors, officers or affiliates intends to tender Shares pursuant to the Offer. The Offer does not, however, restrict the purchase of Shares pursuant to the Offer from any such person. See Section 9 below.

**How do I obtain information?**

- Questions and requests for assistance or requests for additional copies of the Offer to Purchase, the Letter of Transmittal and all other Offer documents should be directed to FS Investment Corporation at (877) 628-8575. If you do not own Shares directly, you should obtain this information and the documents from your broker, dealer, commercial bank, trust company or other nominee, as appropriate.

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The properly completed Letter of Transmittal should be sent to the Company at the following address:

*For delivery by regular mail:*

FS Investment Services  
c/o DST Systems, Inc.  
P.O. Box 219095  
Kansas City, MO 64121-9095

*For delivery by registered, certified or express mail, by overnight courier or by personal delivery:*

FS Investment Services  
c/o DST Systems, Inc.  
430 W. 7th Street  
Kansas City, MO 64105

### 1. *Purchase Price; Number of Shares; Expiration Date.*

FS Investment Corporation, an externally managed, non-diversified, closed-end management investment company incorporated in Maryland, is offering to purchase up to 2,334,307 Shares (which number represents 2.5% of the weighted average number of Shares outstanding for the calendar year ended December 31, 2011). The purpose of the Offer is to provide stockholders with liquidity because there is otherwise no public market for the Shares. See Section 2 below. The Company's public offering closed to new investors in May 2012. As a result, the Offer is for cash at a price equal to 90% of the price per Share determined as of October 1, 2012 in the same manner that the Company determined the offering price per Share for purposes of its public offering. The Offer is made upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal. As an example of the calculation of the Purchase Price, the Share price on August 1, 2012, the date of our most recent monthly closing in connection with our issuance of Shares pursuant to our distribution reinvestment plan, was \$10.80 per Share; 90% of this amount would equal a Purchase Price of \$9.72 per Share. You will not receive interest on the Purchase Price under any circumstances.

If you wish to tender your Shares to be repurchased, you must either tender at least 25% of the Shares you purchased in any offering by the Company or all of the Shares that you own. If you choose to tender only a portion of your Shares, you must maintain a minimum balance of \$5,000 worth of Shares following a tender of Shares for repurchase. If more than the number of Shares offered for repurchase are duly tendered pursuant to the Offer (and not withdrawn, as provided in Section 5 below), we will repurchase Shares on a pro rata basis, in accordance with the number of Shares duly tendered by or on behalf of each stockholder (and not so withdrawn). As a result, we may repurchase less than the full amount of Shares that you tender for repurchase.

As of August 15, 2012, there were 248,342,719 Shares issued and outstanding, and there were 62,049 holders of record of Shares. Certain of these holders of record were brokers, dealers, commercial banks, trust companies and other institutions that held Shares in nominee name on behalf of multiple beneficial owners.

The Offer will remain open until 5:00 P.M., Central Time, on September 25, 2012, unless and until we, in our discretion, extend the period of time during which the Offer will remain open. If we extend the period of time during which the Offer remains open, the term "Expiration Date" will refer to the latest time and date at which the Offer expires. See Section 14 below for a description of our rights to extend, delay, terminate and/or amend the Offer.

If the Company materially changes the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, the Company will extend the Offer to the extent required by Rules 13e-4(d)(2) and 13e-4(e)(3) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). These rules require that the minimum period during which an offer must remain open following material changes in the terms of the offer or information concerning the offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. If (i) the Company increases or decreases the price to be paid for Shares, or the Company increases or decreases the number of Shares being sought and (ii) the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of such increase or decrease is first published, sent or given, the Offer will be extended at least until the expiration of such period of ten (10) business days.

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A “business day” means any day other than a Saturday, Sunday or federal holiday and consists of the time period from 12:01 A.M. through midnight, Eastern Time.

In the judgment of the Board, including the independent directors, the Offer is in the best interests of our stockholders and does not violate applicable law. Under the Maryland General Corporation Law, a Maryland corporation may not make a distribution to stockholders, including pursuant to our share repurchase program, if, after giving effect to the distribution, (i) the corporation would not be able to pay its indebtedness in the ordinary course or (ii) the corporation’s total assets would be less than its total liabilities plus preferential amounts payable on dissolution with respect to preferred stock.

The Board also considered the following factors, among others, in making its determination regarding whether to cause us to offer to repurchase Shares and under what terms:

- the effect of such repurchases on our qualification as a regulated investment company (“**RIC**”) (including the consequences of any necessary asset sales);
- the liquidity of our assets (including fees and costs associated with disposing of assets);
- our investment plans and working capital requirements;
- the relative economies of scale with respect to our size;
- our history in repurchasing Shares or portions thereof; and
- the condition of the securities markets.

The Board has approved this Offer. The Board recognizes that the decision to accept or reject the Offer is an individual one that should be based on a variety of factors, and stockholders should consult with their personal advisors if they have questions about their financial or tax situations. As a result, we are not expressing any opinion as to whether a stockholder should accept or reject this Offer.

### *2. Purpose of the Offer; Plans or Proposals of the Company.*

The purpose of the Offer is to provide liquidity to our stockholders because there is otherwise no public market for the Shares. While the Company’s public offering closed to new investors in May 2012, we intend to continue to periodically repurchase a limited number of Shares at a price equal to 90% of the price per Share in effect at the time of the repurchase determined in the same manner that the Company determined the offering price per Share for purposes of its public offering. This intention is a recognition of the fact that our Shares are not listed on a national securities exchange and have limited liquidity prior to the occurrence of a “liquidity event,” which may include, among other things, (i) the sale of all or substantially all of our assets either on a complete portfolio basis or individually followed by a liquidation, (ii) a listing of our Shares on a national securities exchange, or (iii) a merger or another transaction approved by our Board in which our stockholders will receive cash or shares of a publicly traded company. We may from time to time repurchase Shares at such times and on such terms as may be determined by the Board in its complete and absolute discretion.

In this regard, we intend to make quarterly offers to repurchase Shares pursuant to written tenders by our stockholders. These repurchases will be made at such times and on such terms as may be determined by the Board, in its complete and absolute discretion. Although the decision whether to repurchase Shares is at the Board’s sole discretion, we intend to limit the number of Shares to be repurchased during any calendar year to the number of Shares we can repurchase with the proceeds we receive from the sale of Shares under our distribution reinvestment plan. At the discretion of the Board, we may also use cash on hand, cash available from borrowings and cash from liquidation of securities investments as of the end of the applicable period to repurchase Shares. In addition, we further intend to limit the number of Shares to be repurchased in any calendar year to not more than 10% of the weighted average number of Shares outstanding in the prior calendar year, or not more than 2.5% in each quarter, though the actual number of Shares that we offer to repurchase may be less in light of the limitations noted above.

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Except as previously disclosed by us, we do not have any present plans or proposals and are not engaged in any negotiations that relate to or would result in (i) any extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (ii) other than in connection with transactions in the ordinary course of the Company's operations and for purposes of funding the Offer, any purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (iii) any material change in the Company's present dividend rate or policy, or indebtedness or capitalization of the Company; (iv) any change in the composition of the Board or management of the Company, including, but not limited to, any plans or proposals to change the number or the term of members of the Board, to fill any existing vacancies on the Board or to change any material term of the employment contract of any executive officer; (v) any other material change in the Company's corporate structure or business, including any plans or proposals to make any changes in the Company's investment policy for which a vote would be required by Section 13 of the Investment Company Act of 1940, as amended (the "**1940 Act**"); (vi) any class of the Company's equity securities being delisted from a national securities exchange or ceasing to be authorized to be quoted in an automated quotations system operated by a registered national securities association; (vii) any class of the Company's equity securities becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; (viii) the suspension of the Company's obligation to file reports pursuant to Section 15(d) of the Exchange Act; (ix) other than in connection with transactions in the ordinary course of the Company's operations, the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; or (x) any changes in the Company's charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of the Company.

### *3. Certain Conditions of the Offer.*

Notwithstanding any other provision of the Offer, we will not be required to purchase any Shares tendered pursuant to the Offer if such repurchase will cause us to be in violation of the securities, commodities or other laws of the United States or any other relevant jurisdiction. Further, we will not be required to purchase any Shares tendered in the Offer if there is any (i) material legal action or proceeding instituted or threatened which challenges, in the Board's judgment, the Offer or otherwise materially adversely affects the Company, (ii) declaration of a banking moratorium by federal, state or foreign authorities or any suspension of payment by banks in the United States, New York State or in a foreign country which is material to the Company, (iii) limitation which affects the Company or the issuers of its portfolio securities imposed by federal, state or foreign authorities on the extension of credit by lending institutions or on the exchange of foreign currencies, (iv) commencement of war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any foreign country that is material to the Company, or (v) other event or condition which, in the Board's judgment, would have a material adverse effect on the Company or its stockholders if Shares tendered pursuant to the Offer were purchased.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition, and any such condition may be waived by us, in whole or in part, at any time and from time to time in our reasonable judgment. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts or circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time; provided that any such waiver shall apply to all tenders of Shares. Any determination by us concerning the events described in this Section 3 shall be final and binding.

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We reserve the right at any time during the pendency of the Offer to amend, extend or terminate the Offer in any respect. See Section 14 below.

4. *Procedures for Tendering Shares.*

Participation in the Offer is voluntary. If you elect not to participate in the Offer, your Shares will remain outstanding. To participate in the Offer, you must complete and deliver the accompanying Letter of Transmittal (or, if your Shares are held in street name, instructing the firm holding such Shares to do the same on your behalf) to us at:

*For delivery by regular mail:*

FS Investment Services  
c/o DST Systems, Inc.  
P.O. Box 219095  
Kansas City, MO 64121-9095

*For delivery by registered, certified or express mail, by overnight courier or by personal delivery:*

FS Investment Services  
c/o DST Systems, Inc.  
430 W. 7th Street  
Kansas City, MO 64105

The Letter of Transmittal must be received by us at the address above before 5:00 P.M., Central Time, on the Expiration Date.

*a. Proper Tender of Shares and Method of Delivery.* For Shares to be properly tendered pursuant to the Offer, a properly completed and duly executed Letter of Transmittal bearing original signature(s) for all Shares to be tendered and any other documents required by the Letter of Transmittal must be physically received by us at the address listed above before 5:00 P.M., Central Time, on the Expiration Date. These materials may be sent via mail, courier or personal delivery. Stockholders who desire to tender Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact that firm to effect a tender on their behalf.

**THE METHOD OF DELIVERY OF THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND SOLE RISK OF THE TENDERING STOCKHOLDER. IF DOCUMENTS ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.**

Stockholders have the responsibility to cause their Shares to be tendered, the Letter of Transmittal properly completed and bearing original signature(s) and the original of any required signature guarantee(s), and any other documents required by the Letter of Transmittal, to be timely delivered. Timely delivery is a condition precedent to acceptance of Shares for purchase pursuant to the Offer and to payment of the purchase amount.

*b. Determination of Validity.* All questions as to the validity, form, eligibility (including time of receipt) and acceptance of tenders will be determined by us, in our sole discretion, which determination shall be final and binding. We reserve the absolute right to reject any or all tenders determined not to be in appropriate form or to refuse to accept for payment, purchase, or pay for, any Shares if, in the opinion of our counsel, accepting, purchasing or paying for such Shares would be unlawful. We also reserve the absolute right to waive any of the conditions of the Offer or any defect in any tender, whether generally or with respect to any particular Share(s) or stockholder(s). Our interpretations, in consultation with our counsel, of the terms and conditions of the Offer shall be final and binding.

**NONE OF THE COMPANY, THE BOARD, FB ADVISOR OR ANY OTHER PERSON IS OR WILL BE OBLIGATED TO GIVE ANY NOTICE OF ANY DEFECT OR IRREGULARITY IN ANY TENDER, AND NONE OF THEM WILL INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTICE.**

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c. *United States Federal Income Tax Withholding.* To prevent the imposition of U.S. federal backup withholding tax equal to 28% of the gross payments made pursuant to the Offer, prior to receiving such payments, each stockholder accepting the Offer who has not previously submitted to the Company a correct, completed and signed Internal Revenue Service (“*IRS*”) Form W-9 (“*Form W-9*”) (for U.S. Stockholders) or IRS Form W-8BEN (“*Form W-8BEN*”), IRS Form W-8IMY (“*Form W-8IMY*”), IRS Form W-8ECI (“*Form W-8ECI*”) or other applicable form (for Non-U.S. Stockholders), or otherwise established an exemption from such withholding, must submit the appropriate form to the Company. See Section 13 below.

For this purpose, a “U.S. Stockholder” is, in general, a stockholder that is (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of the source of such income or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust. A “Non-U.S. Stockholder” is any stockholder other than a U.S. Stockholder.

### 5. *Withdrawal Rights.*

At any time prior to 5:00 P.M., Central Time, on the Expiration Date, and, if the Shares have not by then been accepted for payment by us, at any time after October 24, 2012 (which is 40 business days after the commencement of the Offer), any stockholder may withdraw any number of the Shares that the stockholder has tendered.

To be effective, a written Notice of Withdrawal of Shares tendered must be timely received by us via mail, courier or personal delivery at the address listed on page 9 of this Offer to Purchase. Any Notice of Withdrawal must be substantially in the form which accompanies this Offer and specify the name(s) of the person having tendered the Shares to be withdrawn and the number of Shares to be withdrawn.

All questions as to the validity, form and eligibility (including time of receipt) of Notices of Withdrawal will be determined by us in our sole discretion, which determination shall be final and binding. Shares properly withdrawn will not thereafter be deemed to be tendered for purposes of the Offer. Withdrawn Shares, however, may be re-tendered by following the procedures described in Section 4 above prior to 5:00 P.M., Central Time, on the Expiration Date.

### 6. *Payment for Shares.*

Our acceptance of your Shares will form a binding agreement between you and the Company on the terms and subject to the conditions of this Offer. We will have accepted for payment Shares validly submitted for purchase and not withdrawn, when we give oral or written notice to DST Systems, Inc., our transfer agent (the “*Transfer Agent*”), of our acceptance for payment of such Shares pursuant to the Offer. You will not receive interest on the Purchase Price under any circumstances.

In all cases, payment for Shares purchased pursuant to the Offer will be made only after timely receipt by us of: (i) a Letter of Transmittal properly completed and bearing original signature(s) and any required signature guarantee(s) and (ii) any other documents required by the Letter of Transmittal. Stockholders may be charged a fee by a broker, dealer or other institution for processing the tender request. We will pay any transfer taxes payable on the transfer of Shares purchased pursuant to the Offer. If, however, tendered Shares are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of any such transfer taxes (whether imposed on the registered holder(s) or such other person(s)) payable on account of the transfer to such person of such Shares will be deducted from the Purchase Price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted. We may not be obligated to purchase Shares pursuant to the Offer under certain conditions. See Section 3 above.



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Any tendering stockholder or other payee who has not previously submitted a correct, completed and signed Form W-9, Form W-8BEN, Form W-8IMY, Form W-8ECI or other appropriate form, as necessary, and who fails to complete fully and sign either the Form W-9 in the Letter of Transmittal or other appropriate form (e.g., Form W-8BEN, Form W-8IMY or Form W-8ECI) and provide such properly completed form to us may be subject to a federal backup withholding tax of 28% of the gross proceeds paid to such stockholder or other payee pursuant to the Offer. See Section 13 regarding this tax as well as possible withholding at the rate of 30% (or lower applicable treaty rate) on the gross proceeds payable to tendering Non-U.S. Stockholders.

### *7. Source and Amount of Funds.*

The total cost to us of purchasing a maximum of 2,334,307 of our issued and outstanding Shares pursuant to the Offer, assuming a Purchase Price of \$9.72 per Share based upon the most recent Share price as of August 1, 2012, would be \$22,689,464.04. As discussed in Section 1, we are limiting the aggregate number of Shares to be repurchased to 2,334,307 Shares (which number represents 2.5% of the weighted average number of Shares outstanding for the calendar year ended December 31, 2011). The actual number of Shares to be repurchased, the actual Purchase Price, and therefore our total cost of purchasing Shares pursuant to the Offer, is not determinable at this time. We intend to use cash on hand to fund the purchase of Shares validly tendered and not withdrawn in the Offer.

### *8. Financial Statements.*

Financial statements have not been included herein because the consideration offered to stockholders consists solely of cash; the Offer is not subject to any financing condition; and the Company is a public reporting company under Section 13(a) of the Exchange Act and files its reports electronically on the EDGAR system.

Information about the Company and reports filed with the Securities and Exchange Commission (the “SEC”) can be viewed and copied at the SEC’s Public Reference Room in Washington, D.C. Information about the Reference Room’s operations may be obtained by calling the SEC at (202) 551-8090. Reports and other information about the Company are available on the EDGAR Database on the SEC’s Internet site ([www.sec.gov](http://www.sec.gov)), and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549.

### *9. Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares.*

As of the date hereof, there are no persons that are beneficial owners of 5% or more of our outstanding Shares, as determined in accordance with Rule 13d-3 under the Exchange Act.

The directors and executive officers of the Company and the aggregate number and percentage of the Shares each of them beneficially owned as of August 15, 2012 are set forth in the table below. The address of each of them is c/o FS Investment Corporation, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104, Telephone: (215) 495-1150.

**Summary of Ownership by Officers and Directors**

The following table sets forth, as of August 15, 2012, information with respect to the beneficial ownership of our Shares by:

- each of our directors and each executive officer; and
- all of our directors and executive officers as a group.

<u>Name</u>	<u>Shares Beneficially Owned as of August 15, 2012</u>	
	<u>Number of Shares</u>	<u>Percentage<sup>(1)</sup></u>
<b>Directors and Executive Officers:<sup>(2)</sup></b>		
<b>Interested Directors:</b>		
Michael C. Forman <sup>(3)</sup>	128,199.30	*
David J. Adelman	34,062.86	*
Thomas J. Gravina	—	—
Michael Heller	13,443.76	*
<b>Independent Directors:</b>		
Gregory P. Chandler	—	—
Barry H. Frank <sup>(4)</sup>	51,467.44	*
Michael J. Hagan	—	—
Jeffrey K. Harrow	—	—
Paul Mendelson	6,435.71	*
Thomas J. Ridge	—	—
<b>Executive Officers:</b>		
Gerald F. Stahlecker	—	—
Ryan D. Conley	2,542.16	*
Salvatore Faia	—	—
William Goebel	—	—
All officers and directors as a group (14 persons)	236,151.23	*

\* Less than one percent.

(1) Based on a total of 248,342,719 Shares issued and outstanding on August 15, 2012.

(2) Unless otherwise indicated, the address of each beneficial owner is c/o FS Investment Corporation, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, Pennsylvania 19104.

(3) Includes 4,796.89 Shares held in trust; 7,893.78 Shares held by spouse in trust; 1,982.78 Shares held for the benefit of minor children in trust; and 7,003.07 Shares held in a 401(k) account.

(4) Includes 24,185.45 Shares held in an IRA account; 24,125.46 Shares held by spouse in an IRA account; and 3,156.53 Shares held in a joint account with spouse.

During the sixty days prior to August 15, 2012, we have issued an aggregate of 1,785,090 Shares at an average price per Share of \$9.72 for gross proceeds of approximately \$17.4 million in closings that occurred on July 2, 2012 and August 1, 2012. Because we closed our public offering in May 2012, the number of Shares sold during this period includes only Shares sold pursuant to our distribution reinvestment plan. Except for transactions pursuant to the distribution reinvestment plan, based upon our records and upon information provided to us, there have not been any other transactions in Shares that were effected during such period by any of our directors or executive officers, any person controlling the Company, any director or executive officer of any corporation or other person ultimately in control of the Company, any associate or minority-owned subsidiary of the Company or any executive officer or director of any subsidiary of the Company. Neither we nor, to the best of our knowledge, any of the above-mentioned persons, is a party to any contract, arrangement, understanding or relationship with any other person relating, directly or indirectly, to the Offer with respect to any of our securities

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(including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations). Based upon information provided or available to us, none of our directors, officers or affiliates intends to tender Shares pursuant to the Offer. The Offer does not, however, restrict the purchase of Shares pursuant to the Offer from any such person.

### 10. *Certain Effects of the Offer.*

The purchase of Shares pursuant to the Offer will have the effect of increasing the proportionate interest in the Company of stockholders who do not tender Shares. All stockholders remaining after the Offer will be subject to any increased risks associated with the reduction in the number of outstanding Shares and the reduction in the Company's assets resulting from payment for the tendered Shares. See Section 7 above. All Shares purchased by the Company pursuant to the Offer will be retired and thereafter will be authorized and unissued Shares.

### 11. *Certain Information about the Company.*

We are an externally managed, non-diversified, closed-end management investment company that has elected to be treated as a business development company under the 1940 Act. We have elected to be treated for federal income tax purposes, and intend to qualify annually, as a RIC under Subchapter M of the Internal Revenue Code of 1986, as amended (the "**Code**"). We are managed by FB Advisor, a private investment firm that is registered as an investment adviser with the SEC and is an affiliate of ours. FB Advisor oversees the management of our activities and is responsible for making investment decisions for our portfolio. FB Advisor has engaged GSO / Blackstone Debt Funds Management LLC ("**GDFM**"), a subsidiary of GSO Capital Partners LP ("**GSO**"), to act as our sub-adviser.

Our investment objectives are to generate current income and, to a lesser extent, long-term capital appreciation. We will seek to meet our investment objectives by:

- utilizing the experience and expertise of FB Advisor and GDFM, along with the broader resources of GSO, which include its access to the relationships and human capital of its parent, The Blackstone Group L.P., in sourcing, evaluating and structuring transactions;
- employing a defensive investment approach focused on long-term credit performance and principal protection;
- focusing primarily on debt investments in a broad array of private U.S. companies, including small and middle market companies, which we define as companies with annual revenue of \$10 million to \$2.5 billion at the time of investment. In many environments, we believe such a focus offers an opportunity for superior risk adjusted returns;
- focusing primarily on investing in established, stable companies with positive cash flow; and
- maintaining rigorous portfolio monitoring in an attempt to anticipate and pre-empt negative credit events within our portfolio.

Our principal office is located at Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104 and our telephone number is (215) 495-1150.

### 12. *Additional Information.*

Information concerning our business, including our background, strategy, business, investment portfolio, competition and personnel, as well as our financial information, is included in:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as filed with the SEC on March 30, 2012;

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- our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2012 and June 30, 2012, as filed with the SEC on May 15, 2012 and August 14, 2012, respectively; and
- our Issuer Tender Offer Statement on Schedule TO, as filed with the SEC on August 20, 2012.

Each of the foregoing documents is incorporated by reference herein. We also hereby incorporate by reference additional documents that we may file with the SEC between the date of this Offer and the Expiration Date. You may inspect and copy these reports, proxy statements and other information at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at (202) 551-8090. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC's website at [www.sec.gov](http://www.sec.gov). Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549.

### 13. *Certain United States Federal Income Tax Consequences.*

The following discussion is a general summary of the federal income tax consequences of a sale of Shares pursuant to the Offer. This summary is based upon the Code, applicable Treasury regulations promulgated thereunder, rulings and administrative pronouncements and judicial decisions, changes in which could affect the tax consequences described herein and could occur on a retroactive basis. This summary addresses only Shares held as capital assets. This summary does not address all of the tax consequences that may be relevant to stockholders in light of their particular circumstances. In addition, this summary does not address (i) any state, local or foreign tax considerations that may be relevant to a stockholder's decision to tender Shares pursuant to the Offer; or (ii) any tax consequences to partnerships or entities classified as partnerships for U.S. federal tax purposes (or their partners or members) tendering Shares pursuant to the Offer. Stockholders should consult their own tax advisors regarding the tax consequences of a sale of Shares pursuant to the Offer, as well as the effects of state and local tax laws. See Section 4.c. "Procedures for Tendering Shares—United States Federal Income Tax Withholding" above.

*a. U.S. Stockholders.* The sale of Shares pursuant to the Offer will be a taxable transaction for federal income tax purposes, either as a "sale or exchange," or under certain circumstances, as a "dividend." Under Section 302(b) of the Code, a sale of Shares pursuant to the Offer generally will be treated as a "sale or exchange" if the receipt of cash: (i) results in a "complete termination" of the stockholder's interest in the Company, (ii) is "substantially disproportionate" with respect to the stockholder or (iii) is "not essentially equivalent to a dividend" with respect to the stockholder. In determining whether any of these tests has been met, Shares actually owned, as well as Shares considered to be owned by the stockholder by reason of certain constructive ownership rules set forth in Section 318 of the Code, generally must be taken into account. If any of these three tests for "sale or exchange" treatment is met, a stockholder will recognize gain or loss equal to the difference between the amount of cash received pursuant to the Offer and the tax basis of the Shares sold. The gain or loss will be a capital gain or loss. In general, capital gain or loss with respect to Shares sold will be long-term capital gain or loss if the holding period for such Shares is more than one year. The maximum long-term capital gains rate applicable to individual stockholders is generally 15%. The ability to deduct capital losses is limited. Under the "wash sale" rules of the Code, recognition of a loss on Shares sold pursuant to the Offer will ordinarily be disallowed to the extent a stockholder acquires substantially identical Shares within 30 days before or after the date the Shares are purchased by the Company pursuant to the Offer. In that event, the basis and holding period of the Shares acquired will be adjusted to reflect the disallowed loss. Additionally, any loss realized upon a taxable disposition of Shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gains dividends received by the stockholder (or amounts credited to the stockholder as undistributed capital gains) with respect to such Shares.

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If none of the tests set forth in Section 302(b) of the Code is met, amounts received by a stockholder who sells Shares pursuant to the Offer will be taxable to the stockholder as a “dividend” to the extent of such stockholder’s allocable share of the Company’s current or accumulated earnings and profits, and the excess of such amounts received over the portion that is taxable as a dividend will constitute a non-taxable return of capital (to the extent of the stockholder’s tax basis in the Shares sold pursuant to the Offer). Any amounts received in excess of the stockholder’s tax basis in such case will constitute taxable gain. If the amounts received by a tendering stockholder are treated as a “dividend,” the tax basis in the Shares tendered to the Company will be transferred to any remaining Shares held by such stockholder.

In addition, if a tender of Shares is treated as a “dividend” to a tendering stockholder, the IRS may take the position that a constructive distribution under Section 305(c) of the Code may result to a stockholder whose proportionate interest in the earnings and assets of the Company has been increased by such tender. Stockholders are urged to consult their own tax advisors regarding the possibility of deemed distributions resulting from the sale of Shares pursuant to the Offer.

The Company may be required to withhold 28% of the gross proceeds paid to a U.S. Stockholder or other payee pursuant to the Offer unless the U.S. Stockholder has completed and submitted to the Company a Form W-9 (or Substitute Form W-9), providing the U.S. Stockholder’s employer identification number or social security number as applicable, and certifying under penalties of perjury that: (a) such number is correct; (b) either (i) the U.S. Stockholder is exempt from backup withholding, (ii) the U.S. Stockholder has not been notified by the IRS that the U.S. Stockholder is subject to backup withholding as a result of an under-reporting of interest or dividends, or (iii) the IRS has notified the U.S. Stockholder that the U.S. Stockholder is no longer subject to backup withholding; or (c) an exception applies under applicable law. A Form W-9 is included with the Letter of Transmittal for U.S. Stockholders.

*b. Non-U.S. Stockholders.* The U.S. federal income taxation of a Non-U.S. Stockholder on a sale of Shares pursuant to the Offer depends on whether this transaction is “effectively connected” with a trade or business carried on in the U.S. by the Non-U.S. Stockholder (and if an income tax treaty applies, on whether the Non-U.S. Stockholder maintains a U.S. permanent establishment) as well as the tax characterization of the transaction as either a sale of the Shares or a dividend distribution by the Company, as discussed above for U.S. Stockholders. If the sale of Shares pursuant to the Offer is not so effectively connected (or, if an income tax treaty applies, the Non-U.S. Stockholder does not maintain a U.S. permanent establishment) and if, as anticipated for U.S. Stockholders, it gives rise to gain or loss rather than dividend treatment, any gain realized by a Non-U.S. Stockholder upon the tender of Shares pursuant to the Offer will not be subject to U.S. federal income tax or to any U.S. tax withholding; provided, however, that such a gain will be subject to U.S. federal income tax at the rate of 30% (or such lower rate as may be applicable under an income tax treaty) if the Non-U.S. Stockholder is a non-resident alien individual who is physically present in the United States for more than 182 days during the taxable year of the sale. If, however, Non-U.S. Stockholders are deemed, for the reasons described above in respect of U.S. Stockholders, to receive a dividend distribution from the Company with respect to Shares they tender, the portion of the distribution treated as a dividend (which may not include the portion of such dividend attributable to certain interest income and certain capital gain income) to the Non-U.S. Stockholder would be subject to a U.S. withholding tax at the rate of 30% (or such lower rate as may be applicable under a tax treaty) if the dividend is not effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Stockholder (or, if an income tax treaty applies, the Non-U.S. Stockholder does not maintain a U.S. permanent establishment).

If the amount realized on the tender of Shares by a Non-U.S. Stockholder is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Stockholder (and, if an income tax treaty applies, the Non-U.S. Stockholder maintains a U.S. permanent establishment), regardless of whether the tender is characterized as a sale or as giving rise to a dividend distribution from the Company for U.S. federal income tax purposes, the transaction will be treated and taxed in the same manner as if the Shares involved were tendered by a U.S. Stockholder.

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Any dividends received by a corporate Non-U.S. Stockholder that are effectively connected with a U.S. trade or business in which the corporate stockholder is engaged (and if an income tax treaty applies, are attributable to a permanent establishment maintained by the corporate Non-U.S. Stockholder) also may be subject to an additional branch profits tax at a 30% rate, or lower applicable treaty rate.

Non-U.S. Stockholders should provide the Company with a properly completed Form W-8BEN, Form W-8IMY, Form W-8ECI or other applicable form in order to avoid 28% backup withholding on the cash they receive from the Company regardless of how they are taxed with respect to their tender of the Shares involved.

**The tax discussion set forth above is included for general information only. Each stockholder is urged to consult such stockholder's own tax advisor to determine the particular tax consequences to him or her of the Offer, including the applicability and effect of state, local and foreign tax laws.**

### *14. Amendments; Extension of Tender Period; Termination.*

We reserve the right, at any time during the pendency of the Offer, to amend, supplement, extend or terminate the Offer in any respect. Without limiting the manner in which we may choose to make a public announcement of such an amendment, supplement, extension or termination, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement, except as provided by applicable law (including Rules 14e-1(d) and 13e-4(e)(3) promulgated under the Exchange Act).

We may extend the period of time the Offer will be open by issuing a press release or making some other public announcement by no later than 9:00 A.M., Eastern Time, on the next business day after the Offer otherwise would have expired. Except to the extent required by applicable law (including Rule 13e-4(f)(1) promulgated under the Exchange Act), we will have no obligation to extend the Offer.

### *15. Forward Looking Statements; Miscellaneous.*

This Offer may include forward-looking statements. The forward-looking statements contained in this Offer may include statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the impact of the investments that we expect to make;
- the ability of our portfolio companies to achieve their objectives;
- our current and expected financings and investments;
- the adequacy of our cash resources, financing sources and working capital;
- the timing and amount of cash flows, distributions and dividends, if any, from our portfolio companies;
- our contractual arrangements and relationships with third parties;
- actual and potential conflicts of interest with FB Advisor, FS Investment Advisor, LLC, FSIC II Advisor, LLC, FS Energy and Power Fund, FS Investment Corporation II, GDFM or any of their affiliates;
- the dependence of our future success on the general economy and its effect on the industries in which we invest;
- our use of financial leverage;
- the ability of FB Advisor to locate suitable investments for us and to monitor and administer our investments;
- the ability of FB Advisor or its affiliates to attract and retain highly talented professionals;

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- our ability to maintain our qualification as a RIC and as a business development company;
- the impact on our business of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations issued thereunder;
- the effect of changes to tax legislation and our tax position; and
- the tax status of the enterprises in which we invest.

In addition, words such as “anticipate,” “believe,” “expect” and “intend” indicate a forward-looking statement, although not all forward-looking statements include these words. The forward-looking statements contained in this Offer involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. Other factors that could cause actual results to differ materially include:

- changes in the economy;
- risks associated with possible disruption in our operations or the economy generally due to terrorism or natural disasters; and
- future changes in laws or regulations and conditions in our operating areas.

We have based the forward-looking statements included in this Offer on information available to us on the date of this Offer, and we assume no obligation to update any such forward-looking statements. Except as required by the federal securities laws, we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make directly to you or through reports that we may file in the future with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The forward-looking statements and projections contained in this Offer are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act.

The Offer is not being made to, nor will we accept tenders from, or on behalf of, owners of Shares in any jurisdiction in which the making of the Offer or its acceptance would not comply with the securities or “blue sky” laws of that jurisdiction. We are not aware of any jurisdiction in which the making of the Offer or the acceptance of tenders of, purchase of, or payment for, Shares in accordance with the Offer would not be in compliance with the laws of such jurisdiction. We, however, reserve the right to exclude stockholders in any jurisdiction in which it is asserted that the Offer cannot lawfully be made or tendered Shares cannot lawfully be accepted, purchased or paid for. So long as we make a good-faith effort to comply with any state law deemed applicable to the Offer, we believe that the exclusion of holders residing in any such jurisdiction is permitted under Rule 13e-4(f)(9) promulgated under the Exchange Act. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by one or more brokers or dealers licensed under the laws of such jurisdiction.

August 20, 2012

FS INVESTMENT CORPORATION



**FS INVESTMENT**  
CORPORATION  
A Business Development Company



**LETTER OF TRANSMITTAL**  
**PURSUANT TO THE OFFER TO PURCHASE DATED AUGUST 20, 2012**

**THE OFFER WILL EXPIRE AT 5:00 P.M., CENTRAL TIME, ON  
SEPTEMBER 25, 2012, UNLESS THE OFFER IS EXTENDED**

Any questions concerning the offer or this Letter of Transmittal can be directed to the following address:

*For delivery by regular mail:*

FS Investment Services  
c/o DST Systems, Inc.  
P.O. Box 219095  
Kansas City, MO 64121-9095

*For delivery by registered, certified or express  
mail, by overnight courier or by personal delivery:*

FS Investment Services  
c/o DST Systems, Inc.  
430 W. 7th Street  
Kansas City, MO 64105

Delivery of this Letter of Transmittal and all other documents to an address other than as set forth above will not constitute a valid delivery to FS Investment Corporation (the "**Company**").

The offer to purchase and this entire Letter of Transmittal, including the accompanying instructions, should be read carefully before this Letter of Transmittal is completed.

**IF YOU WANT TO RETAIN YOUR SHARES, YOU DO NOT NEED TO TAKE ANY ACTION.**



Ladies and Gentlemen:

This Letter of Transmittal is provided in connection with the Company's offer dated August 20, 2012 to purchase up to 2,334,307 shares of its issued and outstanding common stock, par value \$0.001 per share (the "**Shares**") (which number represents 2.5% of the weighted average number of Shares outstanding for the calendar year ended December 31, 2011) (the "**Offer to Purchase**"). The person(s) signing this Letter of Transmittal (the "**Signatory**") hereby tender(s) to the Company, which is an externally managed, non-diversified, closed-end management investment company incorporated in Maryland, the number of Shares specified below in Section B "Number of Shares Being Tendered" for purchase by the Company at a price equal to 90% of the price per Share determined as of October 1, 2012 in the same manner that the Company determined the offering price per Share for purposes of its public offering (the "**Purchase Price**"), in cash, under the terms and subject to the conditions set forth in the Offer to Purchase, receipt of which is hereby acknowledged, and in this Letter of Transmittal (which Offer to Purchase and Letter of Transmittal, together with any amendments or supplements thereto, collectively constitute the "**Offer**"). As an example of the calculation of the Purchase Price, the Share price on August 1, 2012, the date of the Company's most recent monthly closing in connection with the Company's issuance of Shares pursuant to its distribution reinvestment plan (the "**DRP**"), was \$10.80 per Share; 90% of this amount would equal a Purchase Price of \$9.72 per Share. The Offer will expire at 5:00 P.M., Central Time, on September 25, 2012 (the "**Expiration Date**"), unless extended.

Subject to, and effective upon, acceptance for payment of, or payment for, Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer, the Signatory hereby sells, assigns and transfers to, or upon the order of, the Company, all right, title and interest in and to all of the Shares that are being tendered hereby that are purchased pursuant to the Offer, and hereby irrevocably constitutes and appoints DST Systems, Inc. as attorney-in-fact of the Signatory with respect to such Shares, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms and subject to the conditions set forth in the Offer.

The name(s) of the registered holder(s) on this Letter of Transmittal must correspond exactly with the name(s) on the subscription agreement accepted by the Company in connection with the purchase of the Shares, unless such Shares have been transferred by the registered holder(s), in which event the name(s) of the holder(s) on this Letter of Transmittal must correspond exactly with the name of the last transferee indicated on the stock ledger maintained in book-entry form by DST Systems, Inc., the Company's transfer agent.

The Signatory recognizes that, under certain circumstances as set forth in the Offer to Purchase, the Company may amend, extend or terminate the Offer or may not be required to purchase any of the Shares tendered hereby. In any such event, the Signatory understands that the Shares not purchased, if any, will continue to be held by the Signatory and will not be tendered.

The Signatory understands that acceptance of Shares by the Company for payment will constitute a binding agreement between the Signatory and the Company upon the terms and subject to the conditions of the Offer.

The Signatory understands that the payment of the Purchase Price for the Shares accepted for purchase by the Company will be made as promptly as practicable by the Company following the conclusion of the Offer and that in no event will the Signatory receive any interest on the Purchase Price. Payment of the Purchase Price for the Shares tendered by the undersigned will be made on behalf of the Company by check or wire transfer to the account identified by the undersigned below.

If the Signatory participates in the DRP, the Signatory will continue to participate in the DRP unless the Company is otherwise notified by the Signatory. Notwithstanding the foregoing, if the Signatory tenders all of their Shares in the Offer (whether or not the Company accepts all such Shares for payment pursuant to the Offer), the Signatory's participation in the DRP will automatically cease with respect to distributions scheduled to

be paid after the Expiration Date. If the Signatory holds Shares in a brokerage account maintained at Ameriprise, all such distributions scheduled to be paid after the Expiration Date will be remitted to Ameriprise Financial Services, Inc., to be credited to the Signatory's brokerage account. If the Signatory does not hold Shares in a brokerage account maintained at Ameriprise, all such distributions scheduled to be paid after the Expiration Date will be paid in cash by check mailed to the registered holder at the address on file with the Company.

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the Signatory and all obligations of the Signatory hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the Signatory. Except as stated in the Offer to Purchase, this tender is irrevocable.

The Signatory hereby acknowledges that capitalized terms not defined in this Letter of Transmittal shall have the meanings ascribed to them in the Offer to Purchase.

**A. STOCKHOLDER(S) INFORMATION**

**Beneficial Holder(s) Information**

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

(street)

(street)

(city/state)

(zip)

(city/state)

(zip)

Social Security or Tax ID No. \_\_\_\_\_

Social Security or Tax ID No. \_\_\_\_\_

Telephone No. \_\_\_\_\_

Telephone No. \_\_\_\_\_

Shares are held through an individual retirement account or other qualified pension account:  Yes  No

**Registered Holder Information** (if different than above; print name exactly as it appears on the subscription agreement or as indicated on the stock ledger maintained by the Company's transfer agent)

Name of Registered Holder \_\_\_\_\_

(e.g., custodian if shares are registered in the name of a custodian)

Address \_\_\_\_\_

(street)

(city/state)

(zip)

Tax ID No. \_\_\_\_\_

Telephone No. \_\_\_\_\_

**B. NUMBER OF SHARES BEING TENDERED** (select one option)

- All Shares owned as of the Expiration Date
- Other number of Shares: \_\_\_\_\_

**C. REMITTANCE INFORMATION** (select one option, if applicable)

All tenders processed for custodial accounts will be remitted to the custodian.

All tenders processed for Ameriprise accounts will be remitted to Ameriprise to be credited to the stockholder's brokerage account.

- Remit payment in the name of the holder(s) to the address of the holder(s) or custodian of record, as applicable, on record with the Company.
- Remit payment in the name of the holder(s) directly to the bank account of the holder(s) or custodian of record, as applicable, on record with the Company. If no such bank account information is on record with the Company, payment will be remitted in the name of the holder(s) to the address of the holder(s) or custodian of record, as applicable, on record with the Company.
- Remit payment to, and in the name of, the following third party (**signature guarantee required**):

Name \_\_\_\_\_

Address \_\_\_\_\_

(street)

(city/state)

(zip)

Remit payment in the name of the following account holder and to the following bank account (*signature guarantee required*):

**Bank Name** \_\_\_\_\_

**Bank Routing No.** \_\_\_\_\_

**Bank Account No.** \_\_\_\_\_

**Account Holder Name** \_\_\_\_\_

**Account Holder Social Security or Tax ID No.** \_\_\_\_\_

**D. COST BASIS INFORMATION** (information required for tax reporting purposes)

Per the Internal Revenue Service (“IRS”) regulation “Basis Reporting by Securities Brokers and Basis Determination for Stock,” the Company is required to know the cost accounting method the holder(s) would like the Company to use in calculating the gain or loss associated with this repurchase request. If the holder(s) does not provide this information, the Company will use its chosen default method, First-In, First-Out (FIFO). Note that the Company’s default method may not be the most tax advantageous method. The holder(s) may want to consult their financial advisor or tax professional before completing this section.

Select one option then complete the additional information requested, if applicable:

**First-In, First-Out (FIFO)**

First-In, First-Out uses the first lots purchased into the account to determine the cost basis of the Shares and to calculate the gain or loss.

**Specific Share Identification**

Specific Share Identification allows the holder(s) to select the Shares from any purchase or reinvested lot that has not previously been sold. Indicate in the table below the number of Shares and date of purchase for each lot to be repurchased in this transaction. To the extent all Shares tendered are not accepted by the Company, the Company will use the Shares listed in the first row of the table and proceed to the next row(s) as necessary until all Shares accepted by the Company are accounted.

NUMBER OF SHARES	DATE OF PURCHASE

**Other** \_\_\_\_\_

**E. SIGNATURE (all registered holders must sign)**

The Signatory authorizes and instructs the Company to make a cash payment (payable by check or wire transfer) of the Purchase Price for Shares accepted for purchase by the Company, without interest thereon and less any applicable withholding taxes, to which the undersigned is entitled in accordance with the instructions in Section C "Remittance Information" above. By executing this Letter of Transmittal, the undersigned hereby delivers to the Company in connection with the Offer to Purchase the number of Shares indicated in Section B "Number of Shares Being Tendered" above.

**If Shares are registered in the name of a custodian, the custodian of the Shares must execute this Letter of Transmittal, and the beneficial owner of the Shares hereby authorizes and directs the custodian of the Shares to execute this Letter of Transmittal.**

**Beneficial Holder Signature:**

\_\_\_\_\_  
Signature – Beneficial Holder  
\_\_\_\_\_  
Print Name of Beneficial Holder  
\_\_\_\_\_  
Title of Signatory if Acting in a Representative Capacity  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature – Beneficial Holder  
\_\_\_\_\_  
Print Name of Beneficial Holder  
\_\_\_\_\_  
Title of Signatory if Acting in a Representative Capacity  
\_\_\_\_\_  
Date

**Registered Holder Signature (if different than above; print name exactly as it appears on the subscription agreement or as indicated on the stock ledger maintained by the Company):**

\_\_\_\_\_  
Signature – Registered Holder  
\_\_\_\_\_  
Print Name of Registered Holder  
\_\_\_\_\_  
Title of Signatory  
\_\_\_\_\_  
Date

**Signature Guarantee:\***

The undersigned hereby guarantees the signature of the registered holder, or, if no registered holder is provided, the beneficial owner which appears above on this Letter of Transmittal

Institution Issuing Guarantee:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
(street)  
\_\_\_\_\_  
(city/state) (zip)  
Authorized Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

**Signature Guarantee:\***

The undersigned hereby guarantees the signature of the registered holder, or, if no registered holder is provided, the beneficial owner which appears above on this Letter of Transmittal

Institution Issuing Guarantee:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
(street)  
\_\_\_\_\_  
(city/state) (zip)  
Authorized Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

\*Signature Guarantee to be completed only if required by Section C "Remittance Information."



**THESE INSTRUCTIONS FORM PART OF THE TERMS AND CONDITIONS OF THIS LETTER OF TRANSMITTAL**

1. *Guarantee of Signatures.* If required by Section C "Remittance Information," signatures on this Letter of Transmittal must be guaranteed in accordance with Rule 17Ad-15 (promulgated under the Securities Exchange Act of 1934, as amended) by an eligible guarantor institution which is a participant in a stock transfer association recognized program, such as a firm that is a member of a registered national securities exchange, a member of the Financial Industry Regulatory Authority, by a commercial bank or trust company having an office or correspondent in the United States or by an international bank, securities dealer, securities broker or other financial institution licensed to do business in its home country (an "**Eligible Institution**").

2. *Delivery of Letter of Transmittal.* This Letter of Transmittal, properly completed and duly executed, should be sent by mail or courier or delivered by personal delivery to the Company in each case at the address set forth on the front page of this Letter of Transmittal, in order to make an effective tender.

A properly completed and duly executed Letter of Transmittal must be received by the Company at the address set forth on the front page of this Letter of Transmittal by 5:00 P.M., Central Time, on September 25, 2012, unless the Offer is extended. The Purchase Price will be paid and issued in exchange for the Shares tendered and accepted for purchase by the Company pursuant to the Offer to Purchase in all cases only after receipt by the Company of a properly completed and duly executed Letter of Transmittal.

**The method of delivery of all documents is at the option and risk of the Signatory and the delivery will be deemed made only when actually received. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended.**

3. *Signatures on this Letter of Transmittal, Powers of Attorney and Endorsements.*

(a) If this Letter of Transmittal is signed by the registered holder(s) of the Shares to be tendered, the signature(s) of the holder on this Letter of Transmittal must correspond exactly with the name(s) on the subscription agreement accepted by the Company in connection with the purchase of the Shares, unless such Shares have been transferred by the registered holder(s), in which event this Letter of Transmittal must be signed in exactly the same form as the name of the last transferee indicated on the stock ledger maintained in book-entry form by DST Systems, Inc., the Company's transfer agent.

(b) If any Shares tendered with this Letter of Transmittal are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

(c) If this Letter of Transmittal is signed by a director, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person must so indicate when signing, and proper evidence satisfactory to the Company of such person's authority to so act must be submitted.

(d) If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares, the Letter of Transmittal must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on the subscription agreement accepted by the Company in connection with the purchase of the Shares or of the name of the last transferee indicated on the stock ledger maintained in book-entry form by DST Systems, Inc., the Company's transfer agent, as applicable. **Additionally, if this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares, or if the Purchase Price is to be remitted to any person(s) other than the registered holder(s) of such Shares, signatures must be guaranteed by an Eligible Institution (unless signed by an Eligible Institution).**

4. *Withholding.* The Company is entitled to deduct and withhold from the Purchase Price otherwise payable to any holder of Shares whose Shares are accepted for purchase by the Company any amounts that the Company is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended, or any provision of state, local or foreign tax law. To the extent that amounts are withheld, the withheld amounts shall be treated for all purposes as having been paid and issued to the holder of Shares in respect of which such deduction and withholding was made.

5. *Transfer Taxes.* The Company will pay any transfer taxes payable on the transfer to it of Shares purchased pursuant to the Offer; provided, however, that if payment of the Purchase Price is to be made to any person(s) other than the registered holder(s), the amount of any transfer taxes (whether imposed on the registered holder(s) or such other person(s)) payable on account of the transfer to such person(s) will be deducted from the Purchase Price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted herewith.

6. *Determinations of Validity.* All questions as to the form of documents and the validity of Shares will be resolved by the Company in its sole discretion, whose determination shall be final and binding. The Company reserves the absolute right to reject any deliveries of any Shares that are not in proper form, or the acceptance of which would, in the opinion of the Company or its counsel, be unlawful. The Company reserves the absolute right to waive any defect or irregularity of delivery for exchange with regard to any Shares, provided that any such waiver shall apply to all tenders of Shares.

**NONE OF THE COMPANY, ITS BOARD OF DIRECTORS, FB INCOME ADVISOR, LLC OR ANY OTHER PERSON IS OR WILL BE OBLIGATED TO GIVE ANY NOTICE OF ANY DEFECT OR IRREGULARITY IN ANY TENDER, AND NONE OF THEM WILL INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTICE.**

7. *Requests for Assistance or Additional Copies.* Requests for assistance or for additional copies of this Letter of Transmittal may be directed to the Company at the address set forth on the cover page of this Letter of Transmittal. Stockholders who do not own Shares directly may also obtain such information and copies from their broker, dealer, commercial bank, trust company or other nominee. Stockholders who do not own Shares directly are required to tender their Shares through their broker, dealer, commercial bank, trust company or other nominee and should NOT submit this Letter of Transmittal to the Company.

8. *Backup Withholding.* Each holder that desires to tender Shares must, unless an exemption applies, provide the Company with the holder's taxpayer identification number on the IRS Form W-9 included with this Letter of Transmittal, with the required certifications being made under penalties of perjury. If the holder is an individual, the taxpayer identification number is his or her social security number. If the Company is not provided with the correct taxpayer identification number, the holder may be subject to a \$50 penalty imposed by the IRS in addition to being subject to backup withholding.

Holders are required to give the Company the taxpayer identification number of the registered holder of the Shares by completing the IRS Form W-9 included with this Letter of Transmittal. If the Shares are registered in more than one name or are not in the name of the actual owner, consult Part II of the General Instructions to Form W-9, which immediately follow the IRS Form W-9.

If backup withholding applies, the Company is required to withhold 28% of any payment made to the stockholder with respect to Shares purchased pursuant to the Offer. Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained by the holder from the IRS.

**INSTRUCTIONS TO LETTER OF TRANSMITTAL (continued)**

Certain holders (including, among others, most corporations and certain foreign persons) are exempt from backup withholding requirements. To qualify as an exempt recipient on the basis of foreign status, a holder must generally submit a properly completed IRS Form W-8BEN, IRS Form W-8IMY or IRS Form W-8ECI, signed under penalties of perjury, attesting to that person's exempt status. A holder would use an IRS Form W-8BEN to certify that it is neither a citizen nor a resident of the United States and would use an IRS Form W-8ECI to certify that (1) it is neither a citizen nor resident of the United States, and (2) the proceeds of the sale of the Shares are effectively connected with a U.S. trade or business. A non-U.S. holder may also use an IRS Form W-8BEN to certify that it is eligible for benefits under a tax treaty between the United States and such foreign person's country of residence.

**HOLDERS SHOULD CONSULT THEIR TAX ADVISOR(S) AS TO THEIR QUALIFICATION FOR EXEMPTION FROM THE BACKUP WITHHOLDING REQUIREMENTS AND THE PROCEDURE FOR OBTAINING AN EXEMPTION.**

\* \* \*

**IMPORTANT: THIS LETTER OF TRANSMITTAL PROPERLY COMPLETED AND BEARING ORIGINAL SIGNATURE(S) AND THE ORIGINAL OF ANY REQUIRED SIGNATURE GUARANTEE(S) MUST BE RECEIVED BY THE COMPANY AT THE ADDRESS SET FORTH ON THE FRONT PAGE OF THIS LETTER PRIOR TO THE EXPIRATION OF THE OFFER.**



## Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

<b>Print or type See Specific Instructions on page 2.</b>	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) u _____ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) u _____	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

<b>Part I</b>	<b>Taxpayer Identification Number (TIN)</b>																																					
Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3. <b>Note.</b> If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="9" style="text-align: center;"><b>Social security number</b></td> </tr> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> <tr> <td colspan="9" style="text-align: center;"><b>Employer identification number</b></td> </tr> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>	<b>Social security number</b>																		<b>Employer identification number</b>																	
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<b>Part II</b>	<b>Certification</b>
Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. citizen or other U.S. person (defined below). <b>Certification instructions.</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.	

<b>Sign Here</b>	<b>Signature of U.S. person</b> u _____	<b>Date</b> u _____
----------------------	---	---------------------

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income

from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the

withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

**Nonresident alien who becomes a resident alien.**

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called

"backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

**Updating Your Information**

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

**Penalties**

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

**Specific Instructions**

**Name**

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

**Partnership, C Corporation, or S Corporation.** Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

**Disregarded entity.** Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

**Note.** Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

**Limited Liability Company (LLC).** If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

### Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
  2. The United States or any of its agencies or instrumentalities,
  3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
  4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
  5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
  7. A foreign central bank of issue,
  8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
  9. A futures commission merchant registered with the Commodity Futures Trading Commission,
  10. A real estate investment trust,
  11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
  12. A common trust fund operated by a bank under section 584(a),
  13. A financial institution,
  14. A middleman known in the investment community as a nominee or custodian, or
  15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 7 <sup>2</sup>

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

### Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

**Signature requirements.** Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of

the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup>List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

\***Note.** Grantor also must provide a Form W-9 to trustee of trust.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

### Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

### Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

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### Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



**FS INVESTMENT**  
CORPORATION  
A Business Development Company



**NOTICE OF WITHDRAWAL OF TENDER REGARDING  
SHARES HELD IN FS INVESTMENT CORPORATION  
TENDERED PURSUANT TO THE OFFER TO PURCHASE DATED AUGUST 20, 2012**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT, AND  
THIS NOTICE OF WITHDRAWAL MUST BE RECEIVED BY FS  
INVESTMENT CORPORATION, EITHER BY MAIL, COURIER OR  
PERSONAL DELIVERY BEFORE 5:00 P.M., CENTRAL TIME, ON  
SEPTEMBER 25, 2012, UNLESS THE OFFER IS EXTENDED.**

Complete this Notice of Withdrawal and return to the following address:

*For delivery by regular mail:*

FS Investment Services  
c/o DST Systems, Inc.  
P.O. Box 219095  
Kansas City, MO 64121-9095

*For delivery by registered, certified or  
express mail, by overnight courier or by  
personal delivery:*

FS Investment Services  
c/o DST Systems, Inc.  
430 W. 7th Street  
Kansas City, MO 64105

**You are responsible for confirming that this Notice of Withdrawal is received by  
FS Investment Corporation at the address above.**

Ladies and Gentlemen:

The undersigned hereby withdraws the tender of its shares of common stock, par value \$0.001 per share (the "**Shares**"), of FS Investment Corporation (the "**Company**") that previously was submitted by the undersigned in a Letter of Transmittal dated, \_\_\_\_\_, 2012.

**A. STOCKHOLDER(S) INFORMATION**

**Beneficial Holder(s) Information**

Name \_\_\_\_\_

Address \_\_\_\_\_  
(street)  
\_\_\_\_\_  
(city/state) (zip)

Social Security or Tax ID No. \_\_\_\_\_

Telephone No. \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_  
(street)  
\_\_\_\_\_  
(city/state) (zip)

Social Security or Tax ID No. \_\_\_\_\_

Telephone No. \_\_\_\_\_

Shares are held through an individual retirement account or other qualified pension account:  Yes  No

**Registered Holder Information** (if different than above; print name exactly as it appears on the subscription agreement or as indicated on the stock ledger maintained by the Company's transfer agent)

Name of Registered Holder \_\_\_\_\_  
*(e.g., custodian if shares are registered in the name of a custodian)*

Address \_\_\_\_\_  
(street) (city/state) (zip)

Tax ID No. \_\_\_\_\_ Telephone No. \_\_\_\_\_

**B. WITHDRAWAL REQUEST (select one option)**

- All Shares owned as of the Expiration Date
- Other number of Shares: \_\_\_\_\_

[Signature page follows]

**C. AUTHORIZED SIGNATURES**

The undersigned recognizes that upon the receipt on a timely basis of this Notice of Withdrawal of Tender, properly executed, the Shares previously tendered will not be purchased by the Company.

**If Shares are registered in the name of a custodian, the custodian of the Shares must execute this Notice of Withdrawal, and the beneficial owner of the Shares hereby authorizes and directs the custodian of the Shares to execute this Notice of Withdrawal.**

**Beneficial Holder Signature:**

\_\_\_\_\_  
Signature – Beneficial Holder

\_\_\_\_\_  
Print Name of Beneficial Holder

\_\_\_\_\_  
Title of Signatory if Acting in a Representative Capacity

\_\_\_\_\_  
Date

**Registered Holder Signature (if different than above; print name exactly as it appears on the subscription agreement or as indicated on the stock ledger maintained by the Company's transfer agent):**

\_\_\_\_\_  
Signature – Registered Holder

\_\_\_\_\_  
Print Name of Registered Holder

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature – Beneficial Holder

\_\_\_\_\_  
Print Name of Beneficial Holder

\_\_\_\_\_  
Title of Signatory if Acting in a Representative Capacity

\_\_\_\_\_  
Date





**THIS IS NOTIFICATION OF THE QUARTERLY REPURCHASE OFFER.  
IF YOU ARE NOT INTERESTED IN SELLING YOUR SHARES AT THIS TIME,  
KINDLY DISREGARD THIS NOTICE.**

August 20, 2012

Dear Stockholder:

No action is required of you at this time. We have sent this letter to you only to announce the quarterly repurchase offer (the "Offer") by FS Investment Corporation (the "Company"). The purpose of this Offer is to provide liquidity to holders of shares of the Company's common stock ("Shares"), for which there is otherwise no public market. While the Company's public offering closed to new investors in May 2012, we are offering to repurchase a limited number of our Shares at a price equal to 90% of the price per Share determined as of October 1, 2012 in the same manner that the Company determined the offering price per Share for purposes of its public offering (the "Purchase Price"). The Share price as of August 1, 2012, the date of the Company's most recent monthly closing in connection with the Company's issuance of Shares pursuant to its distribution reinvestment plan, was \$10.80 per Share, but the Share price determined as of October 1, 2012 may be higher or lower than such amount. The Offer period will begin on or before August 27, 2012 and end at 5:00 P.M., Central Time, on September 25, 2012. Subject to the limitations contained in the Offer to Purchase, which is attached to this letter, all properly completed and duly executed letters of transmittal returned to the Company will be processed on October 1, 2012.

**IF YOU HAVE NO DESIRE TO SELL ANY OF YOUR SHARES PURSUANT TO THE OFFER, PLEASE DISREGARD THIS NOTICE.** The Company will contact you again next quarter and each quarter thereafter to notify you if the Company intends to offer to repurchase a portion of its issued and outstanding Shares. If you would like to tender a portion or all of your Shares for repurchase at the Purchase Price, please complete the Letter of Transmittal included with this letter and return it to the Company at the address below. Please see the attached Offer to Purchase for conditions to the Offer, including, but not limited to, the fact that the Company is only offering to repurchase up to 2,334,307 Shares.

**All requests to tender Shares must be received in good order by the Company, at the address below, by 5:00 P.M., Central Time, on September 25, 2012.**

*For delivery by regular mail:*

FS Investment Services  
c/o DST Systems, Inc.  
P.O. Box 219095  
Kansas City, MO 64121-9095

*For delivery by registered, certified or express mail, by  
overnight courier or by personal delivery:*

FS Investment Services  
c/o DST Systems, Inc.  
430 W. 7th Street  
Kansas City, MO 64105

If you have any questions, please call your financial advisor or call the Company at (877) 628-8575.

Sincerely,

Michael C. Forman

President and Chief Executive Officer  
FS Investment Corporation