



<b>B #:</b>	<b>1294-15</b>
<b>Date:</b>	07/31/2015
<b>To:</b>	All Participants
<b>Category:</b>	Dividends
<b>From:</b>	Supervisor, Stock Dividend Department
<b>Attention:</b>	Dividend Managers, Cashiers, and Reorganization Managers
<b>Subject:</b>	Optional Dividend: Liberty All-Star Equity Fund Inc. CUSIP: 530158104 Rate: \$0.14 per share Record Date: 07/31/15 Payable Date: 09/14/2015 CA Web Instruction Cut-Off: 08/26/2015, 8:00 P.M. New York time

\*\*\*\*\*WARNING TIME CRITICAL\*\*\*\*\*

Liberty All-Star Equity Fund has declared a third quarter distribution in the amount of \$0.14 per share in stock or cash of Liberty All-Star Equity Fund. The distribution is payable to stockholders of record at the close of business on 07/31/15.

**Option #1 (Stock):** Shareholders may elect to receive newly issued shares at **\$0.14** per share. Fractional shares will be paid in cash at participant level. **(Default)**

**Option # 2 (Cash):** Shareholders may elect to receive cash at **\$0.14** per common share.

Unless you elect to receive your distribution in cash, the number of shares to be issued to you will be determined by dividing the total dollar amount of the distribution payable to you, based on the number of shares you held on record on 07/31/15, by the market price per share of the Fund’s shares of beneficial interest on 08/28/15, or by the net asset value per share on that date, whichever is lower (but not at a discount of more than 5% from the market price).

**CLIENTS SHOULD SUBMIT ELECTION INSTRUCTIONS THROUGH THE CORPORATE ACTION WEB INSTRUCTION TAB. PLEASE REFER TO IMPORTANT NOTICE [B#0178-15](#) FOR MORE INFORMATION.**

**RECORD DATE POSITION INFORMATION SHOULD BE CONFIRMED THROUGH THE CA WEB.**

Participants not responding to the above options by 08/26/2015, 8:00 P.M., New York time will receive the dividend in the form of stock and cash of fractional shares; this is in accordance with Option #1.

If there are any questions regarding this Important Notice or the processing of CA Web related instructions, Participants should contact DTC’s Customer Help Line at (888) 382-2721.

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit [http://www.dtcc.com/subscription\\_form.php](http://www.dtcc.com/subscription_form.php). To remove your name from the former system of email notifications, send a message to [unsubscribe@dtcc.com](mailto:unsubscribe@dtcc.com).

**B#: 1294-15**

**Important Legal Information:** *The Depository Trust Company (“DTC”) does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages. To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit [http://www.dtcc.com/subscription\\_form.php](http://www.dtcc.com/subscription_form.php). To remove your name from the former system of email notifications, send a message to [unsubscribe@dtcc.com](mailto:unsubscribe@dtcc.com).

DTCC Non-Confidential

2

DTCC Public (White)