

Nuveen Multi-Strategy Income & Growth Fund 2  
Form DEF 14A  
February 26, 2010

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement.
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
- Definitive Proxy Statement.
- Definitive Additional Materials.
- Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

Nuveen Multi-Strategy Income and Growth Fund 2 (JQC)

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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333 West Wacker Drive  
Chicago, Illinois 60606  
(800) 257-8787  
**Notice of Annual Meeting  
of Shareholders  
April 6, 2010**

**March 1, 2010**

**Nuveen New York Dividend Advantage Municipal Fund (NAN)  
Nuveen New York Dividend Advantage Municipal Fund 2 (NXK)  
Nuveen New York Investment Quality Municipal Fund, Inc. (NQN)  
Nuveen New York Municipal Value Fund, Inc. (NNY)  
Nuveen New York Municipal Value Fund 2 (NYV)  
Nuveen New York Performance Plus Municipal Fund, Inc. (NNP)  
Nuveen New York Quality Income Municipal Fund, Inc. (NUN)  
Nuveen New York Select Quality Municipal Fund, Inc. (NVN)  
Nuveen Insured New York Dividend Advantage Municipal Fund (NKO)  
Nuveen Insured New York Premium Income Municipal Fund, Inc. (NNF)  
Nuveen Insured New York Tax-Free Advantage Municipal Fund (NRK)  
Nuveen Core Equity Alpha Fund (JCE)  
Nuveen Real Estate Income Fund (JRS)  
Nuveen Diversified Dividend and Income Fund (JDD)  
Nuveen Equity Premium and Growth Fund (JPG)  
Nuveen Equity Premium Advantage Fund (JLA)  
Nuveen Equity Premium Income Fund (JPZ)  
Nuveen Equity Premium Opportunity Fund (JSN)  
Nuveen Quality Preferred Income Fund (JTP)  
Nuveen Quality Preferred Income Fund 2 (JPS)  
Nuveen Quality Preferred Income Fund 3 (JHP)  
Nuveen Tax-Advantaged Total Return Strategy Fund (JTA)  
Nuveen Tax-Advantaged Dividend Growth Fund (JTD)  
Nuveen Global Government Enhanced Income Fund (JGG)  
Nuveen Global Value Opportunities Fund (JGV)  
Nuveen Multi-Currency Short-Term Government Income Fund (JGT)  
Nuveen Multi-Strategy Income and Growth Fund (JPC)  
Nuveen Multi-Strategy Income and Growth Fund 2 (JQC)**

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**To the Shareholders of the Above Funds:**

Notice is hereby given that the Annual Meeting of Shareholders of each of Nuveen New York Dividend Advantage Municipal Fund ( New York Dividend ), Nuveen New York Dividend Advantage Municipal Fund 2 ( New York Dividend 2 ), Nuveen New York Municipal Value Fund 2 ( New York Value 2 ), Nuveen Insured New York Dividend Advantage Municipal Fund ( Insured New York Dividend ), Nuveen Insured New York Tax-Free Advantage Municipal Fund ( Insured New York Tax-Free ), Nuveen Core Equity Alpha Fund ( Core Equity ), Nuveen Real Estate Income Fund ( Real Estate ), Nuveen Diversified Dividend and Income Fund ( Diversified Dividend ), Nuveen Equity Premium and Growth Fund ( Equity Premium ), Nuveen Equity Premium Advantage Fund ( Equity Premium Advantage ), Nuveen Equity Premium Income Fund ( Equity Premium Income ), Nuveen Equity Premium Opportunity Fund ( Equity Premium Opportunity ), Nuveen Quality Preferred Income Fund ( Quality Preferred ), Nuveen Quality Preferred Income Fund 2 ( Quality Preferred 2 ), Nuveen Quality Preferred Income Fund 3 ( Quality Preferred 3 ), Nuveen Tax-Advantaged Total Return Strategy Fund ( Tax-Advantaged ), Nuveen Tax-Advantaged Dividend Growth Fund ( Tax-Advantaged Dividend ), Nuveen Global Government Enhanced Income Fund ( Global Government ), Nuveen Global Value Opportunities Fund ( Global Value ), Nuveen Multi-Currency Short-Term Government Income Fund ( Multi-Currency ), Nuveen Multi-Strategy Income and Growth Fund ( Multi-Strategy ) and Nuveen Multi-Strategy Income and Growth Fund 2 ( Multi-Strategy 2 ), each a **Massachusetts Business Trust**, and Nuveen New York Investment Quality Municipal Fund, Inc. ( New York Investment Quality ), Nuveen New York Municipal Value Fund, Inc. ( New York Value ), Nuveen New York Performance Plus Municipal Fund, Inc. ( New York Performance Plus ), Nuveen New York Quality Income Municipal Fund, Inc. ( New York Quality ), Nuveen New York Select Quality Municipal Fund, Inc. ( New York Select ) and Nuveen Insured New York Premium Income Municipal Fund, Inc. ( Insured New York Premium ), each a **Minnesota Corporation** (individually, a Fund and collectively, the Funds ), will be held in the 31st Floor Conference Room of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on Tuesday, April 6, 2010, at 10:00 a.m., Central time (for each Fund, an Annual Meeting ), for the following purposes and to transact such other business, if any, as may properly come before the Annual Meeting.

**Matters to Be Voted on by Shareholders:**

1. To elect Members to the Board of Directors/Trustees (each a Board and each Director or Trustee a Board Member ) of each Fund as outlined below:
    - a. For each Massachusetts Business Trust, except New York Value 2, Core Equity, Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Tax-Advantaged Dividend, Global Government, Global Value, Multi-Currency, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Real Estate, Diversified Dividend, Tax-Advantaged, Multi-Strategy and Multi-Strategy 2, to elect four (4) Board Members.
      - i) two (2) Class I Board Members to be elected by the holders of Common Shares and Variable Rate Demand Preferred Shares ( VRDP ) for Insured New York Dividend; and Municipal Auction Rate Cumulative Preferred Shares for each other Fund (collectively, Preferred Shares ), voting together as a single class; and
      - ii) two (2) Board Members to be elected by the holders of Preferred Shares only, voting separately as a single class.
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- b. For New York Value 2, Core Equity, Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Tax-Advantaged Dividend, Global Government, Global Value and Multi-Currency to elect three (3) Class I Board Members.
  - c. For Quality Preferred, Quality Preferred 2, Quality Preferred 3, Real Estate, Diversified Dividend, Tax-Advantaged, Multi-Strategy and Multi-Strategy 2 to elect (3) Class I Board Members and one (1) Class III Board Member.
  - d. For each Minnesota Corporation, except New York Value, to elect nine (9) Board Members.
    - i) seven (7) Board Members to be elected by the holders of Common Shares and Preferred Shares, voting together as a single class; and
    - ii) two (2) Board Members to be elected by the holders of Preferred Shares only, voting separately as a single class.
  - e. For New York Value, to elect three (3) Class I Board Members.
2. To transact such other business as may properly come before the Annual Meeting.

Shareholders of record at the close of business on February 8, 2010 are entitled to notice of and to vote at the Annual Meeting.

**All shareholders are cordially invited to attend the Annual Meeting. In order to avoid delay and additional expense and to assure that your shares are represented, please vote as promptly as possible, regardless of whether or not you plan to attend the Annual Meeting. You may vote by mail, telephone or over the Internet. To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States. To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide. To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.**

Kevin J. McCarthy  
*Vice President and Secretary*

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333 West Wacker Drive Chicago, Illinois 60606 (800) 257-8787

**Joint Proxy Statement**

**March 1, 2010**

This Joint Proxy Statement is first being mailed to shareholders on or about March 1, 2010.

**Nuveen New York Dividend Advantage Municipal Fund (NAN)**  
**Nuveen New York Dividend Advantage Municipal Fund 2 (NXK)**  
**Nuveen New York Investment Quality Municipal Fund, Inc. (NQN)**  
**Nuveen New York Municipal Value Fund, Inc. (NNY)**  
**Nuveen New York Municipal Value Fund 2 (NYV)**  
**Nuveen New York Performance Plus Municipal Fund, Inc. (NNP)**  
**Nuveen New York Quality Income Municipal Fund, Inc. (NUN)**  
**Nuveen New York Select Quality Municipal Fund, Inc. (NVN)**  
**Nuveen Insured New York Dividend Advantage Municipal Fund (NKO)**  
**Nuveen Insured New York Premium Income Municipal Fund, Inc. (NNF)**  
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**Nuveen Global Value Opportunities Fund (JGV)**  
**Nuveen Multi-Currency Short-Term Government Income Fund (JGT)**  
**Nuveen Multi-Strategy Income and Growth Fund (JPC)**  
**Nuveen Multi-Strategy Income and Growth Fund 2 (JQC)**

## General Information

This Joint Proxy Statement is furnished in connection with the solicitation by the Board of Directors or Trustees (each a Board and collectively, the Boards, and each Director or Trustee a Board Member and collectively, the Board Members ) of each of Nuveen New York Dividend Advantage Municipal Fund ( New York Dividend ), Nuveen New York Dividend Advantage Municipal Fund 2 ( New York Dividend 2 ), Nuveen New York Municipal Value Fund 2 (New York Value 2 ), Nuveen Insured New York Dividend Advantage Municipal Fund ( Insured New York Dividend ), Nuveen Insured New York Tax-Free Advantage Municipal Fund ( Insured New York Tax-Free ), Nuveen Core Equity Alpha Fund ( Core Equity ), Nuveen Real Estate Income Fund ( Real Estate ), Nuveen Diversified Dividend and Income Fund ( Diversified Dividend ), Nuveen Equity Premium and Growth Fund ( Equity Premium ), Nuveen Equity Premium Advantage Fund ( Equity Premium Advantage ), Nuveen Equity Premium Income Fund ( Equity Premium Income ), Nuveen Equity Premium Opportunity Fund ( Equity Premium Opportunity ), Nuveen Quality Preferred Income Fund ( Quality Preferred ), Nuveen Quality Preferred Income Fund 2 ( Quality Preferred 2 ), Nuveen Quality Preferred Income Fund 3 ( Quality Preferred 3 ), Nuveen Tax-Advantaged Total Return Strategy Fund ( Tax-Advantaged ), Nuveen Tax-Advantaged Dividend Growth Fund ( Tax-Advantaged Dividend ), Nuveen Global Government Enhanced Income Fund ( Global Government ), Nuveen Global Value Opportunities Fund ( Global Value ), Nuveen Multi-Currency Short-Term Government Income Fund ( Multi-Currency ), Nuveen Multi-Strategy Income and Growth Fund ( Multi-Strategy ) and Nuveen Multi-Strategy Income and Growth Fund 2 ( Multi-Strategy 2 ), each a **Massachusetts Business Trust**, and Nuveen New York Investment Quality Municipal Fund, Inc. ( New York Investment Quality ), Nuveen New York Municipal Value Fund, Inc. ( New York Value ), Nuveen New York Performance Plus Municipal Fund, Inc. ( New York Performance Plus ), Nuveen New York Quality Income Municipal Fund, Inc. ( New York Quality ), Nuveen New York Select Quality Municipal Fund, Inc. ( New York Select ) and Nuveen Insured New York Premium Income Municipal Fund, Inc. ( Insured New York Premium ), each a **Minnesota Corporation** (individually, a Fund and collectively, the Funds ), of proxies to be voted at the Annual Meeting of Shareholders to be held in the 31st Floor Conference Room of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on Tuesday, April 6, 2010, at 10:00 a.m., Central time (for each Fund, an Annual Meeting and collectively, the Annual Meetings ), and at any and all adjournments thereof.

On the matters coming before each Annual Meeting as to which a choice has been specified by shareholders on the proxy, the shares will be voted accordingly. If a properly executed proxy is returned and no choice is specified, the shares will be voted FOR the election of the nominees as listed in this Joint Proxy Statement. Shareholders of a Fund who execute proxies may revoke them at any time before they are voted by filing with that Fund a written notice of revocation, by delivering a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person. Merely attending the Annual Meeting, however, will not revoke any previously submitted proxy.

The Board of each Fund has determined that the use of this Joint Proxy Statement for each Annual Meeting is in the best interest of each Fund and its shareholders in light of the similar matters being considered and voted on by the shareholders.

The following table indicates which shareholders are solicited with respect to each matter:

Matter	Common Shares	Preferred Shares <sup>(1)</sup>
1(a)(i) For each Massachusetts Business Trust, election of two (2) Class I Board Members by all shareholders (except New York Value 2, Core Equity, Equity Premium, Equity Premium Opportunity, Equity Premium Advantage, Equity Premium Income, Tax-Advantaged Dividend, Global Government, Global Value, Multi-Currency, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Real Estate, Diversified Dividend, Tax-Advantaged, Multi-Strategy and Multi-Strategy 2).	X	X
1(a)(ii) For each Massachusetts Business Trust, election of two (2) Board Members by Preferred Shares only (except New York Value 2, Core Equity, Equity Premium, Equity Premium Opportunity, Equity Premium Advantage, Equity Premium Income, Tax-Advantaged Dividend, Global Government, Global Value, Multi-Currency, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Real Estate, Diversified Dividend, Tax-Advantaged, Multi-Strategy and Multi-Strategy 2).		X
1(b) For New York Value 2, Core Equity, Equity Premium, Equity Premium Opportunity, Equity Premium Advantage, Equity Premium Income, Tax-Advantaged Dividend, Global Government, Global Value and Multi-Currency, election of three (3) Class I Board Members by all shareholders.	X	N/A
1(c) For Quality Preferred, Quality Preferred 2, Quality Preferred 3, Real Estate, Diversified Dividend, Tax-Advantaged, Multi-Strategy and Multi-Strategy 2, election of three(3) Class I Board Members and one (1) Class III Board Member by all shareholders.	X	N/A
1(d)(i) For each Minnesota Corporation, election of seven (7) Board Members by all shareholders (except New York Value).	X	X
1(d)(ii) For each Minnesota Corporation, election of two (2) Board Members by Preferred Shares only (except New York		X



Value).

1(e)	For New York Value, election of three (3) Class I Board Members by all shareholders.	X	N/A
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(1) Variable Rate Demand Preferred Shares for Insured New York Dividend and Municipal Auction Rate Cumulative Preferred Shares ( MuniPreferred ) for each other Fund are referred to as Preferred Shares.

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A quorum of shareholders is required to take action at each Annual Meeting. A majority of the shares entitled to vote at each Annual Meeting, represented in person or by proxy, will constitute a quorum of shareholders at that Annual Meeting, except that for the election of the two Board Member nominees by holders of Preferred Shares of each Fund (with the exception of New York Value 2, Core Equity, Equity Premium, Equity Premium Opportunity, Equity Premium Advantage, Equity Premium Income, Global Government, Global Value, Multi-Currency, Tax-Advantaged Dividend, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Real Estate, Diversified Dividend, Tax-Advantaged, Multi-Strategy, Multi-Strategy 2 and New York Value), 33 1/3% of the Preferred Shares entitled to vote and represented in person or by proxy will constitute a quorum. Votes cast by proxy or in person at each Annual Meeting will be tabulated by the inspectors of election appointed for that Annual Meeting. The inspectors of election will determine whether or not a quorum is present at the Annual Meeting. The inspectors of election will treat abstentions and broker non-votes (i.e., shares held by brokers or nominees, typically in street name, as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) as present for purposes of determining a quorum.

For each Fund, the affirmative vote of a plurality of the shares present and entitled to vote at the Annual Meeting will be required to elect the Board Members of that Fund. For purposes of determining the approval of the proposal to elect nominees for each Fund, abstentions and broker non-votes will have no effect on the election of Board Members.

Preferred Shares held in street name as to which voting instructions have not been received from the beneficial owners or persons entitled to vote as of one business day before the Annual Meeting, or, if adjourned, one business day before the day to which the Annual Meeting is adjourned, and that would otherwise be treated as broker non-votes may, pursuant to Rule 452 of the New York Stock Exchange, be voted by the broker on the proposal in the same proportion as the votes cast by all holders of Preferred Shares as a class who have voted on the proposal or in the same proportion as the votes cast by all holders of Preferred Shares of the Fund who have voted on that item. Rule 452 permits proportionate voting of Preferred Shares with respect to a particular item if, among other things, (i) a minimum of 30% of the Preferred Shares or shares of a series of Preferred Shares outstanding has been voted by the holders of such shares with respect to such item and (ii) less than 10% of the Preferred Shares or shares of a series of Preferred Shares outstanding has been voted by the holders of such shares against such item. For the purpose of meeting the 30% test, abstentions will be treated as shares voted and, for the purpose of meeting the 10% test, abstentions will not be treated as shares voted against the item.

Those persons who were shareholders of record at the close of business on Monday, February 8, 2010 will be entitled to one vote for each share held and a proportionate fractional vote for each fractional vote held. As of February 8, 2010, the shares of the Funds were issued and outstanding as follows:

<b>Fund</b>	<b>Ticker Symbol<sup>(1)</sup></b>	<b>Common Shares</b>	<b>Preferred Shares</b>	
New York Dividend	NAN	9,265,330	Series F	876
New York Dividend 2	NXK	6,488,516	Series W	1,364
New York Investment Quality	NQN	17,518,033	Series M	744



Fund	Ticker Symbol <sup>(1)</sup>	Common Shares	Preferred Shares	
			Series T	1,858
			Series F	1,858
New York Value	NNY	15,148,860	N/A	
New York Value 2	NYV	2,347,000	N/A	
New York Performance Plus	NNP	15,039,571	Series M	1,129
			Series T	564
			Series W	1,410
			Series F	403
New York Quality	NUN	23,752,339	Series M	1,794
			Series W	1,796
			Series TH	1,959
			Series F	882
New York Select	NVN	23,198,402	Series T	1,461
			Series W	2,038
			Series TH	3,057
Insured New York Dividend	NKO	7,937,131	Series 1	500
Insured New York Premium	NNF	8,243,515	Series M	1,022
			Series T	992
Insured New York Tax-Free	NRK	3,506,560	Series TH	1,080
Core Equity	JCE	16,033,786	N/A	

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Real Estate	JRS	28,427,014	N/A
Diversified Dividend	JDD	19,976,918	N/A
Equity Premium	JPG	16,311,642	N/A
Equity Premium Advantage	JLA	25,846,491	N/A
Equity Premium Income	JPZ	38,417,887	N/A
Equity Premium Opportunity	JSN	66,058,537	N/A
Quality Preferred	JTP	64,632,294	N/A
Quality Preferred 2	JPS	120,321,842	N/A
Quality Preferred 3	JHP	23,714,024	N/A
Tax-Advantaged	JTA	13,878,567	N/A
Tax-Advantaged Dividend	JTD	14,517,240	N/A
Global Government	JGG	9,340,989	N/A
Global Value	JGV	19,172,440	N/A
Multi-Currency	JGT	43,756,293	N/A
Multi-Strategy	JPC	98,010,878	N/A
Multi-Strategy 2	JQC	137,884,225	N/A

- (1) The common shares of all of the Funds are listed on the New York Stock Exchange, except NXX, NYV, NRK, NKO and JRS, which are listed on the NYSE Amex.

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## 1. Election of Board Members

### Massachusetts Business Trusts

Pursuant to the organizational documents of each Massachusetts Business Trust, each Board is divided into three classes, Class I, Class II and Class III, to be elected by the holders of the outstanding Common Shares and any outstanding Preferred Shares, voting together as a single class to serve until the third succeeding annual meeting subsequent to their election or thereafter, in each case until their successors have been duly elected and qualified. For each Massachusetts Business Trust, except New York Value 2, Core Equity, Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Tax-Advantaged Dividend, Global Government, Global Value, Multi-Currency, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Real Estate, Diversified Dividend, Tax-Advantaged, Multi-Strategy and Multi-Strategy 2, under normal circumstances, holders of Preferred Shares are entitled to elect two (2) Board Members. The Board Members elected by holders of Preferred Shares will be elected to serve until the next annual meeting or until their successors have been duly elected and qualified.

- a. **For each Massachusetts Business Trust (except New York Value 2, Core Equity, Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Tax-Advantaged Dividend, Global Government, Global Value, Multi-Currency, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Real Estate, Diversified Dividend, Tax-Advantaged, Multi-Strategy and Multi-Strategy 2):**
  - (i) two (2) Board Members are to be elected by holders of Common Shares and Preferred Shares, voting together as a single class. Board Members Stockdale and Stone have been designated as Class I Board Members and as nominees for Board Members for a term expiring at the annual meeting of shareholders in 2013 or until their successors have been duly elected and qualified. Board Members Amboian, Bremner, Evans, Kundert and Toth are current and continuing Board Members. Board Members Amboian, Kundert and Toth have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2011 or until their successors have been duly elected and qualified. Board Members Bremner and Evans have been designated as Class III Board Members for a term expiring at the annual meeting of shareholders in 2012 or until their successors have been duly elected and qualified.
  - (ii) two (2) Board Members are to be elected by holders of Preferred Shares, voting separately as a single class. Board Members Hunter and Schneider are nominees for election by holders of Preferred Shares for a term expiring at the next annual meeting or until their successors have been duly elected and qualified.
- b. **For New York Value 2, Core Equity, Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Tax-Advantaged Dividend, Global Government, Global Value and Multi-Currency:**
  - (i) three (3) Board Members are to be elected by all shareholders. Board Members Hunter, Stockdale and Stone have been designated as Class I Board Members and as nominees for Board Members for a term expiring at the annual meeting of shareholders in 2013 or until their successors have been duly elected and

qualified. Board Members Amboian, Bremner, Evans, Kundert, Schneider and Toth are current and continuing Board Members. Board Members Amboian, Kundert and Toth have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2011 or until their successors have been duly elected and qualified. Board Members Bremner, Evans and Schneider have been designated as Class III Board Members for a term expiring at the annual meeting of shareholders in 2012 or until their successors have been duly elected and qualified.

**c. For Quality Preferred, Quality Preferred 2, Quality Preferred 3, Real Estate, Diversified Dividend, Tax-Advantaged, Multi-Strategy and Multi-Strategy 2:**

- (i) four (4) Board Members are to be elected by all shareholders. Board Members Stockdale and Stone have been designated as Class I Board Members and as nominees for Board Members for a term expiring at the annual meeting of shareholders in 2013 or until their successors have been duly elected and qualified. Board Member Hunter has been re-designated as a Class I Board Member and as a Board Member nominee for a term expiring at the annual meeting of shareholders in 2013 or until their successors have been duly elected and qualified. Board Member Schneider has been re-designated as a Class III Board Member, and as a Board Member nominee for a term expiring at the annual meeting of shareholders in 2012 or until his successor has been duly elected and qualified. Board Members Amboian, Bremner, Evans, Kundert and Toth are current and continuing Board Members. Board Members Amboian, Kundert and Toth have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2011 or until their successors have been duly elected and qualified. Board Members Bremner and Evans have been designated as Class III Board Members for a term expiring at the annual meeting of shareholders in 2012 or until their successors have been duly elected and qualified.

**Minnesota Corporations**

At the Annual Meeting of each Minnesota Corporation, Board Members are to be elected to serve until the next annual meeting or until their successors shall have been duly elected and qualified. Under the terms of each Minnesota Corporation's organizational documents (except New York Value), under normal circumstances, holders of Preferred Shares are entitled to elect two (2) Board Members, and the remaining Board Members are to be elected by holders of Common Shares and Preferred Shares, voting together as a single class. Pursuant to the organizational documents of New York Value, the Board is divided into three classes, with each class being elected to serve until the third succeeding annual meeting subsequent to their election or thereafter in each case when their respective successors are duly elected and qualified. For New York Value, three (3) Board Members are nominated to be elected at this meeting.

**d. For each Minnesota Corporation, except New York Value:**

- (i) seven (7) Board Members are to be elected by holders of Common Shares and Preferred Shares, voting together as a single class. Board Members Amboian, Bremner, Evans, Kundert, Stockdale, Stone and Toth are nominees for election by all shareholders.



- (ii) two (2) Board Members are to be elected by holders of Preferred Shares. Board Members Hunter and Schneider are nominees for election by holders of Preferred Shares.
- e. **For New York Value:** three (3) Board Members are to be elected by all shareholders. Board Members Hunter, Stockdale and Stone have been designated as Class I Board Members and as nominees for Board Members for a term expiring at the annual meeting of shareholders in 2013 or until their successors have been duly elected and qualified. Board Members Amboian, Bremner, Evans, Kundert, Schneider and Toth are current and continuing Board Members. Board Members Amboian, Kundert and Toth have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2011 or until their successors have been duly elected and qualified. Board Members Bremner, Evans and Schneider have been designated as Class III Board Members for a term expiring at the annual meeting of shareholders in 2012 or until their successors have been duly elected and qualified.

It is the intention of the persons named in the enclosed proxy to vote the shares represented thereby for the election of the nominees listed in the table below unless the proxy is marked otherwise. Each of the nominees has agreed to serve as a Board Member of each Fund if elected. However, should any nominee become unable or unwilling to accept nomination for election, the proxies will be voted for substitute nominees, if any, designated by that Fund's present Board.

For New York Dividend, New York Dividend 2, Insured New York Dividend and Insured New York Tax-Free, Board Members Bremner and Evans were last elected to each Fund's Board as Class III Board Members at the annual meeting of shareholders held on May 6, 2009 and adjourned to June 17, 2009. For Real Estate, Diversified Dividend, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Tax-advantaged, Multi-Strategy and Multi-Strategy 2, Board Members Bremner and Evans were last elected to each Fund's Board as Class III Board Members at the annual meeting of shareholders held on May 6, 2009. For each other Massachusetts Business Trust except New York Value 2, Core Equity, Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Global Government, Global Value, Tax-Advantaged Dividend and Multi-Currency, New York Dividend, New York Dividend 2, Insured New York Dividend and Insured New York Tax-Free, Board Members Amboian, Kundert and Toth were last elected to each Fund's Board as Class II Board Members at the annual meeting of shareholders held on June 30, 2008. For New York Dividend, New York Dividend 2, Insured New York Dividend and Insured New York Tax-Free, Board Members Amboian, Kundert and Toth were last elected to each Fund's Board as Class II Board Members at the annual meeting of shareholders held on June 30, 2008 and adjourned to July 29, 2008.

For New York Value 2, all of the Board Members were elected by the initial shareholder of the Fund on April 24, 2009.

For Core Equity, Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Global Government, Global Value, Tax-Advantaged Dividend and Multi-Currency, Board Members Bremner, Evans and Schneider were last elected to each Fund's Board as Class III Board Members at the annual meeting of shareholders held on May 6, 2009. Board Members Amboian, Kundert and Toth were last elected to each Fund's Board as Class II Board Members and Board Member Hunter was last elected to each Fund's Board as a Class I Board Member at the annual meeting of shareholders held on June 30, 2008.

For each Minnesota Corporation, except for New York Value, all Board Member nominees were last elected to each Fund's Board at the annual meeting of shareholders held on May 6, 2009 and adjourned to June 17, 2009.

For New York Value, Board Members Bremner, Evans and Schneider were last elected as Class III Board Members at the annual meeting of shareholders held on May 6, 2009 and adjourned to June 17, 2009. Board Members Amboian, Kundert and Toth were last elected as Class II Board Members at the annual meeting of shareholders held on June 30, 2008. Board Member Hunter was last elected as a Class I Board Member of the Board of New York Value at the annual meeting of shareholders held on June 30, 2008.

Other than Mr. Amboian, all Board Member nominees are not interested persons, as defined in the Investment Company Act of 1940, as amended (the 1940 Act), of the Funds or the Adviser and have never been an employee or director of Nuveen Investments, Inc. (Nuveen), the Adviser's parent company, or any affiliate. Accordingly, such Board Members are deemed Independent Board Members.

**The Board unanimously recommends that shareholders vote FOR the election of the nominees.**

**Board Nominees/Board Members**

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member
				Board Member	by Board Member

**Nominees/Board Members who are not interested persons of the Fund**

Robert P. Bremner c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (8/22/40)	Chairman of the Board, Board Member	Term: Annual or Class III Board Member until 2009  Length of Service: Since 1996; Chairman of the Board since 2008; Lead Independent Director (2005-2008)	Private Investor and Management Consultant; Treasurer and Director, Humanities Council of Washington D.C.	199	N/A
Jack B. Evans c/o Nuveen Investments, Inc.	Board Member	Term: Annual or Class III Board Member until 2009	President, The Hall-Perrine Foundation, a private philanthropic	199	See Principal Occupation Description

333 West Wacker  
Drive  
Chicago, IL 60606  
(10/22/48)

Length of Service:  
Since 1999

corporation (since 1996);  
Director and Chairman,  
United Fire Group, a  
publicly held company;  
President Pro Tem of the  
Board of Regents for the  
State of Iowa University  
System; Director, Gazette  
Companies; Life Trustee  
of Coe College and Iowa  
College Foundation;  
formerly, Director, Alliant  
Energy; formerly,  
Director, Federal Reserve  
Bank of Chicago;  
formerly, President and  
Chief Operating Officer,  
SCI Financial Group, Inc.,  
a regional financial  
services firm.

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member
William C. Hunter c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (3/6/48)	Board Member	Term: Annual or Class I Board Member until 2010  Length of Service: Since 2004	Dean, Tippie College of Business, University of Iowa (since 2006); Director (since 2004) of Xerox Corporation, a publicly held company; Director, Beta Gamma Sigma International Honor Society (since 2005); formerly, (2003-2006), Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut; formerly, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director, SS&C Technologies, Inc. (May 2005-October 2005); formerly, Director, Credit Research Center at Georgetown University (1997-2007).	199	See Principal Occupation Description
David J. Kundert c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (10/28/42)	Board Member	Term: Annual or Class II Board Member until 2011  Length of Service: Since 2005	Director, Northwestern Mutual Wealth Management Company; retired (2004) as Chairman, JPMorgan Fleming Asset Management, President	199	See Principal Occupation Description

and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Bank One Corporation and Chairman and CEO, Banc One Investment Management Group; Board of Regents, Luther College; member of the Wisconsin Bar Association; member of Board of Directors, Friends of Boerner Botanical Gardens; member of Investment Committee, Greater Milwaukee Foundation

<p>William J. Schneider c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (9/24/44)</p>	<p>Board Member</p>	<p>Term: Annual or Class III Board Member until 2009  Length of Service: Since 1996</p>	<p>Chairman, of Miller-Valentine Partners Ltd., a real estate investment company; formerly, Senior Partner and Chief Operating Officer (retired, 2004) of Miller-Valentine Group; Member, University of Dayton Business School Advisory Council; Member, Dayton Philharmonic Orchestra Board; formerly, Member, Business Advisory Council, Cleveland Federal Reserve Bank; formerly, Director, Dayton Development Coalition.</p>	<p>199</p>	<p>See Principal Occupation Description</p>
<p>Judith M. Stockdale c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (12/29/47)</p>	<p>Board Member</p>	<p>Term: Annual or Class I Board Member until 2010  Length of Service: Since 1997</p>	<p>Executive Director, Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (from 1990 to 1994).</p>	<p>199</p>	<p>N/A</p>

Board Member

199

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Carole E. Stone c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (6/28/47)	Term: Annual or Class I Board Member until 2010  Length of Service: Since 2007	Director, C2 Options Exchange, Incorporated (since 2009); Director, Chicago Board Options Exchange (since 2006); Commissioner, NYSE Commission on Public Authority Reform (since 2005); formerly Director, New York State Division of the Budget (2000-2004), Chair, Public Authorities Control Board (2000-2004) and Director, Local Government Assistance Corporation (2000-2004); Chair, New York Racing Association Oversight Board (2005-2007).	See Principal Occupation Description
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Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member
Terence J. Toth c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (9/29/59)	Board Member	Term: Annual or Class II Board Member until 2011  Length of Service: Since 2008	Director, Legal & General Investment Management America, Inc. (since 2008); Managing Partner, Musso Capital Management (since 2008); formerly CEO and President, Northern Trust Investments (2004-2007); Executive Vice President, Quantitative Management & Securities Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); Member: Goodman Theatre Board (since 2004); Chicago Fellowship Board (since 2005), University of Illinois Leadership Council Board (since 2007) and Catalyst Schools of Chicago Board (since 2008); formerly Member: Northern Trust Mutual Funds Board (2005-2007), Northern Trust Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern	199	See Principal Occupation Description

Trust Hong Kong Board  
(1997-2004).

Nominee/Board Member who is an interested person of the Fund

<p>John P. Amboian<sup>(2)</sup> c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (6/14/61)</p>	<p>Board Member</p>	<p>Term: Annual or Class II Board Member until 2011</p> <p>Length of Service: Since 2008</p>	<p>Chief Executive Officer (since July 2007) and Director (since 1999) of Nuveen Investments, Inc.;</p> <p>Chief Executive Officer (since 2007) of Nuveen Asset Management, Nuveen Investments Advisers, Inc.</p>	<p>199</p>	<p>See Principal Occupation Description</p>
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(1) Length of Service indicates the year in which the individual became a Board Member of a fund in the Nuveen fund complex.

(2) Interested person as defined in the 1940 Act, by reason of being an officer of each Fund's adviser.

The dollar range of equity securities beneficially owned by each Board Member in each Fund and all Nuveen funds overseen by the Board Member as of December 31, 2009 is set forth in Appendix A. The number of shares of each Fund beneficially owned by each Board Member and by the Board Members and officers of the Funds as a group as of December 31, 2009 is set forth in Appendix A. On December 31, 2009, Board Members and executive officers as a group beneficially owned approximately 640,000 shares of all funds managed by Nuveen Asset Management. ( NAM ) (including shares held by the Board Members through the Deferred Compensation Plan for Independent Board Members and by executive officers in Nuveen's 401(k)/profit sharing plan). As of February 8, 2010, each Board Member's individual beneficial shareholdings of each Fund constituted less than 1% of the outstanding shares of each Fund. As of February 8, 2010, the Board Members and executive officers as a group beneficially owned less than 1% of the outstanding shares of each Fund.

As of February 8, 2010, no shareholder beneficially owned more than 5% of any class of shares of any Fund, except as provided in Appendix B.

### Compensation

Each Independent Board Member receives a \$100,000 annual retainer plus (a) a fee of \$3,250 per day for attendance in person or by telephone at a regularly scheduled meeting of the Board;



(b) a fee of \$2,500 per meeting for attendance in person where such in-person attendance is required and \$1,500 per meeting for attendance by telephone or in person where in-person attendance is not required at a special, non-regularly scheduled board meeting; (c) a fee of \$2,000 per meeting for attendance in person or \$1,500 per meeting for attendance by telephone at an audit committee meeting; (d) a fee of \$2,000 per meeting for attendance at a regularly scheduled compliance, risk management and regulatory oversight committee meeting for regular quarterly meetings and \$1,000 per meeting for attendance of other, non-quarterly meetings; (e) a fee of \$1,000 per meeting for attendance in person or by telephone for a meeting of the dividend committee; and (f) a fee of \$500 per meeting for attendance in person at all other committee meetings, \$1,000 for attendance at shareholder meetings, on a day on which no regularly scheduled board meeting is held in which in-person attendance is required, \$250 per meeting for attendance by telephone at all other committee meetings (excluding shareholder meetings) where in-person attendance is not required and \$100 per meeting when the executive committee acts as pricing committee for IPOs, plus, in each case, expenses incurred in attending such meetings. In addition to the payments described above, the Independent Chairman receives \$50,000 annually and the Lead Independent Director, if any, receives \$35,000, the chairpersons of the audit committee, the dividend committee and the compliance, risk management and regulatory oversight committee receive \$7,500 and the chairperson of the nominating and governance committee receives \$5,000 as additional retainers to the annual retainer paid to such individuals. Independent Board Members also receive a fee of \$2,500 per day for site visits to entities that provide services to the Nuveen funds on days on which no regularly scheduled board meeting is held. When ad hoc committees are organized, the nominating and governance committee will at the time of formation determine compensation to be paid to the members of such committees, however, in general such fees will be \$1,000 per meeting for attendance in person at any ad hoc committee meeting where in-person attendance is required and \$500 per meeting for attendance by telephone or in person at such meetings where in-person attendance is not required. The annual retainer, fees and expenses are allocated among the funds managed by the Adviser, on the basis of relative net asset sizes although fund management may, in its discretion, establish a minimum amount to be allocated to each fund. The Board Member affiliated with Nuveen and the Adviser serves without any compensation from the Funds.

The boards of certain Nuveen funds (the Participating Funds ) established a Deferred Compensation Plan for Independent Board Members ( Deferred Compensation Plan ). Under the Deferred Compensation Plan, Independent Board Members of the Participating Funds may defer receipt of all, or a portion, of the compensation they earn for their services to the Participating Funds, in lieu of receiving current payments of such compensation. Any deferred amount is treated as though an equivalent dollar amount had been invested in shares of one or more eligible Nuveen funds.

The table below shows, for each Independent Board Member, the aggregate compensation paid by each Fund to each Board Member nominee for its last fiscal year.

**Aggregate Compensation from the Funds<sup>(1)</sup>**

<b>Fund</b>	<b>Robert P. Bremner</b>	<b>Jack B. Evans</b>	<b>William C. Hunter</b>	<b>David J. Kundert</b>	<b>William J. Schneider</b>	<b>Judith M. Stockdale</b>	<b>Carole E. Stone</b>	<b>Terence J. Toth</b>
New York Dividend	763	660	525	618	645	571	539	607
New York Dividend 2	527	456	363	427	445	394	372	419
New York Investment Quality	1,606	1,419	1,146	1,495	1,530	1,287	1,104	1,414
New York Value	610	528	418	493	515	454	434	487
New York Value 2	63	31	25	28	29	58	25	28
New York Performance Plus	1,353	1,196	966	1,259	1,288	1,083	931	1,190
New York Quality	2,215	1,956	1,581	2,062	2,110	1,776	1,523	1,953
New York Select	2,197	1,941	1,568	2,046	2,093	1,761	1,511	1,936
Insured New York Dividend	700	606	481	567	592	522	498	558

**Aggregate Compensation from the Funds<sup>(1)</sup>**

<b>Fund</b>	<b>Robert P. Bremner</b>	<b>Jack B. Evans</b>	<b>William C. Hunter</b>	<b>David J. Kundert</b>	<b>William J. Schneider</b>	<b>Judith M. Stockdale</b>	<b>Carole E. Stone</b>	<b>Terence J. Toth</b>
Insured New York Premium	738	638	508	597	623	552	521	588
Insured New York Tax-Free	332	287	228	269	280	248	234	265
Core Equity	847	736	611	813	829	680	586	767
Real Estate	1,053	918	762	1,010	1,031	849	731	966
Diversified Dividend	1,494	1,194	1,068	1,341	1,345	1,077	980	1,275
Equity Premium	952	828	686	915	933	765	658	862
Equity Premium Advantage	1,484	1,292	1,068	1,426	1,455	1,195	1,026	1,343
Equity Premium Income	2,160	1,880	1,556	2,076	2,118	1,737	1,493	1,958

**Aggregate Compensation from the Funds<sup>(1)</sup>**

<b>Fund</b>	<b>Robert P. Bremner</b>	<b>Jack B. Evans</b>	<b>William C. Hunter</b>	<b>David J. Kundert</b>	<b>William J. Schneider</b>	<b>Judith M. Stockdale</b>	<b>Carole E. Stone</b>	<b>Terence J. Toth</b>
Equity Premium Opportunity	3,776	3,287	2,719	3,629	3,703	3,038	2,611	3,419
Quality Preferred	2,647	2,639	2,133	2,659	2,655	2,072	1,940	2,826
Quality Preferred 2	5,128	5,113	4,107	5,134	5,132	4,051	3,747	5,460
Quality Preferred 3	1,066	959	767	961	961	872	702	1,023
Tax-Advantaged	857	745	619	823	838	689	593	779
Tax-Advantaged Dividend	952	829	689	916	934	766	660	865
Global Government	728	617	499	585	612	544	518	591
Global Value	1,281	1,107	918	1,222	1,247	1,024	883	1,143
Multi-Currency	3,331	2,892	2,396	3,197	3,261	2,676	2,300	3,002
Multi-Strategy	4,016	3,473	2,896	3,838	3,908	3,218	2,776	3,616
Multi-Strategy 2	5,872	5,079	4,234	5,612	5,716	4,705	4,059	5,287
<b>Total Compensation from Nuveen Funds Paid to Board Members/Nominees</b>	<b>265,996</b>	<b>239,830</b>	<b>194,333</b>	<b>252,913</b>	<b>258,133</b>	<b>219,480</b>	<b>186,750</b>	<b>247,289</b>

(1) Includes deferred fees. Pursuant to a deferred compensation agreement with certain of the Funds, deferred amounts are treated as though an equivalent dollar amount has been invested in shares of one or more eligible Nuveen funds. Total deferred fees for the Funds (including the return from the assumed investment in the eligible Nuveen funds) payable are:

**Deferred Fees**

<b>Fund</b>	<b>Robert P. Bremner</b>	<b>Jack B. Evans</b>	<b>William C. Hunter</b>	<b>David J. Kundert</b>	<b>William J. Schneider</b>	<b>Judith M. Stockdale</b>	<b>Carole E. Stone</b>	<b>Terence J. Toth</b>
New York Investment Quality	277	405	564	1,495	1,530	653		1,076
New York Performance Plus	233	341	477	1,259	1,288	549		906
New York Quality	382	558	776	2,062	2,110	902		1,485
New York Select	379	554	769	2,046	2,093	895		1,471
Core Equity	148	214	215	813	829	375		539
Real Estate	185	267	309	1,010	1,031	453		705
Diversified Dividend	266	348	541	1,341	1,345	560		972



## Deferred Fees

<b>Fund</b>	<b>Robert P. Bremner</b>	<b>Jack B. Evans</b>	<b>William C. Hunter</b>	<b>David J. Kundert</b>	<b>William J. Schneider</b>	<b>Judith M. Stockdale</b>	<b>Carole E. Stone</b>	<b>Terence J. Toth</b>
Equity Premium	166	241	242	915	933	422		607
Equity Premium Advantage	259	375	362	1,426	1,455	664		937
Equity Premium Income	378	547	547	2,076	2,118	960		1,376
Equity Premium Opportunity	660	956	938	3,629	3,703	1,684		2,394
Quality Preferred	469	768	1,155	2,659	2,655	1,144		2,136
Quality Preferred 2	906	1,486	2,157	5,134	5,132	2,249		4,089
Quality Preferred 3	189	279	396	961	961	464		762
Tax-Advantaged	150	216	232	823	838	375		556
Tax-Advantaged Dividend	166	241	246	916	934	421		611
Global Value	222	320	284	1,222	1,247	576		780
Multi-Currency								
Global Government	581	840	800	3,197	3,261	1,492		2,086
Multi-Strategy	700	1,006	1,024	3,838	3,908	1,769		2,543
Multi-Strategy 2	1,023	1,471	1,485	5,612	5,716	2,590		3,712

## Committees

The Board of each Fund has five standing committees: the executive committee, the audit committee, the nominating and governance committee, the dividend committee and the compliance, risk management and regulatory oversight committee.

John P. Amboian, Robert P. Bremner, Chair, and Judith M. Stockdale serve as current members of the executive committee of each Fund. The executive committee, which meets between regular meetings of the Board, is authorized to exercise all of the powers of the Board; provided that the scope of the powers of the executive committee, unless otherwise specifically authorized by the full Board, is limited to: (i) emergency matters where assembly of the full Board is impracticable (in which case management will take all reasonable steps to quickly notify each individual Board Member of the actions taken by the executive committee) and (ii) matters of an administrative or ministerial nature. The number of executive committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

Jack B. Evans, Chair, Judith M. Stockdale and Terence J. Toth are current members of the dividend committee of each Fund. The dividend committee is authorized to declare distributions on the Fund's shares including, but not limited to, regular and special dividends, capital gains and ordinary income distributions. The number of dividend committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

William C. Hunter, William J. Schneider, Chair, Judith M. Stockdale and Carole E. Stone are current members of the compliance, risk management and regulatory oversight committee of each Fund. The compliance, risk management and regulatory oversight committee is responsible for the oversight of compliance issues, risk management, and other regulatory matters affecting the Funds which are not otherwise the jurisdiction of the other Board committees. The number of compliance, risk management and regulatory oversight committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

Each Fund's Board has an audit committee, in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the 1934 Act), that is composed of Independent Board Members who are also independent as that term is defined in the listing standards pertaining to closed-end funds of the New York Stock Exchange or the NYSE Amex, as applicable. Robert P. Bremner, Jack B. Evans, David J. Kundert, Chair, William J. Schneider and Terence J. Toth are current members of the audit committee of each Fund. The audit committee is responsible for the oversight and monitoring of (1) the accounting and reporting policies, procedures and practices and the audit of the financial statements of the Funds, (2) the quality and integrity of the financial statements of the Funds and (3) the independent registered public accounting firm's qualifications, performance and independence. The audit committee reviews the work and any recommendations of the Funds' independent registered public accounting firm. Based on such review, it is authorized to make recommendations to the Board. The audit committee is also responsible for the oversight of the Pricing Procedures of the Funds and the internal Valuation Group. The Boards have adopted a written Audit Committee Charter that conforms to the listing standards of the New York Stock Exchange or the NYSE Amex, as applicable. A copy of the Audit Committee Charter is attached as Appendix D. The number of audit committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

Each Fund has a nominating and governance committee that is composed entirely of Independent Board Members who are also independent as defined by New York Stock

Exchange or NYSE Amex listing standards, as applicable. Robert P. Bremner, Chair, Jack B. Evans, William C. Hunter, David J. Kundert, William J. Schneider, Judith M. Stockdale, Carole E. Stone and Terence J. Toth are current members of the nominating and governance committee of each Fund. The purpose of the nominating and governance committee is to seek, identify and recommend to the Board qualified candidates for election or appointment to each Fund's Board. In addition, the committee oversees matters of corporate governance, including the evaluation of Board performance and processes, and assignment and rotation of committee members, and the establishment of corporate governance guidelines and procedures, to the extent necessary or desirable. The committee operates under a written charter adopted and approved by the Boards of each Fund, a copy of which is available on the Funds' website at [www.nuveen.com/CEF/Info/Shareholder/](http://www.nuveen.com/CEF/Info/Shareholder/). The number of nominating and governance committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

The nominating and governance committee looks to many sources for recommendations of qualified candidates, including current Board Members, employees of the Adviser, current shareholders of the Funds, third party sources and any other persons or entities that may be deemed necessary or desirable by the committee. Shareholders of the Funds who wish to nominate a candidate to their Fund's Board should mail information to the attention of Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606. This information must include evidence of Fund ownership of the person or entity recommending the candidate, a full listing of the proposed candidate's education, experience, current employment, date of birth, names and addresses of at least three professional references, information as to whether the candidate is an interested person (as such term is defined in the 1940 Act) in relation to the Fund and such other information that would be helpful to the nominating and governance committee in evaluating the candidate. All satisfactorily completed information regarding candidates will be forwarded to the chairman of the nominating and governance committee and the outside counsel to the Independent Board Members. Recommendations for candidates to the Board will be evaluated in light of whether the number of Board members is expected to change and whether the Board expects any vacancies. All nominations from Fund shareholders will be acknowledged, although there may be times when the committee is not actively recruiting new Board members. In those circumstances nominations will be kept on file until active recruitment is under way.

The nominating and governance committee sets appropriate standards and requirements for nominations to the Board. In considering a candidate's qualifications, each candidate must meet certain basic requirements, including relevant skills and experience, time availability and, if qualifying as an Independent Board Member candidate, independence from the Adviser or other service providers. These experience requirements may vary depending on the current composition of the Board, since the goal is to ensure an appropriate range of skills and experience, in the aggregate. All candidates must meet high expectations of personal integrity, governance experience and professional competence that are assessed on the basis of personal interviews, recommendations, or direct knowledge by committee members. The committee may use any process it deems appropriate for the purpose of evaluating candidates, which process may include, without limitation, personal interviews, background checks, written submissions by the candidates and third party references. There is no difference in the manner in which the nominating and governance committee evaluates candidates when the candidate is submitted by a shareholder. The nominating and governance committee

reserves the right to make the final selection regarding the nomination of any prospective Board member.

The number of regular quarterly meetings and special meetings held by the Board of each Fund during the Fund's last fiscal year is shown in Appendix C. During the last fiscal year, each Board Member attended 75% or more of each Fund's Board meetings and the committee meetings (if a member thereof) held during the period for which such Board Member was a Board Member. The policy of the Board relating to attendance by Board Members at annual meetings of the Funds and the number of Board Members who attended the last annual meeting of shareholders of each Fund is posted on the Funds' website at [www.nuveen.com/CEF/Info/Shareholder/](http://www.nuveen.com/CEF/Info/Shareholder/).



**The Officers**

The following table sets forth information with respect to each officer of the Funds. Officers receive no compensation from the Funds. The officers are elected by the Board on an annual basis to serve until successors are elected and qualified.

<b>Name, Address and Birth Date</b>	<b>Position(s) Held with Fund</b>	<b>Term of Office and Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Served by Officer</b>
Gifford R. Zimmerman 333 West Wacker Drive Chicago, IL 60606 (9/9/56)	Chief Administrative Officer	Term: Annual Length of Service: Since 1988	Managing Director (since 2002), Assistant Secretary and Associate General Counsel of Nuveen Investments, LLC; Managing Director (since 2002), Assistant Secretary and Associate General Counsel of Nuveen Asset Management; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Vice President and Assistant Secretary of NWQ Investment Management Company, LLC (since 2002); Managing Director and Assistant Secretary of Nuveen Investments Advisers Inc. (since 2002); Managing Director, Associate General Counsel and Assistant Secretary of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of Tradewinds Global Investors, LLC and Santa Barbara Asset Management LLC (since 2006), Nuveen HydePark Group, LLC and Nuveen Investment Solutions, Inc. (since 2007); Chartered Financial Analyst.	199
Williams Adams IV 333 West Wacker Drive Chicago, IL 60606 (6/9/55)	Vice President	Term: Annual Length of Service: Since 2007	Executive Vice President, U.S. Structured Products of Nuveen Investments, LLC (since 1999), prior thereto, Managing Director of Structured Investments.	124



Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
Mark J.P. Anson 333 West Wacker Drive Chicago, IL 60606 (6/10/59)	Vice President	Term: Annual Length of Service: Since 2009	President and Executive Director of Nuveen Investments, Inc. (since 2007); President of Nuveen Investments Institutional Services Group LLC (since 2007); previously, Chief Executive Officer of British Telecom Pension Scheme (2006-2007); Chief Investment Officer of Calpers (1999-2006); PhD, Chartered Financial Analyst, Chartered Alternative Investment Analyst, Certified Public Accountant, Certified Management Accountant and Certified Internal Auditor.	199
Cedric H. Antosiewicz 333 West Wacker Drive Chicago, IL 60606 (1/11/62)	Vice President	Term: Annual Length of Service: Since 2007	Managing Director (since 2004), previously, Vice President (1993-2004) of Nuveen Investments LLC.	124
Nizida Arriaga 333 West Wacker Drive Chicago, IL 60606 (6/1/68)	Vice President	Term: Annual Length of Service: Since 2009	Vice President of Nuveen Investments, LLC (since 2007); previously, Portfolio Manager, Allstate Investments, LLC (1996-2006); Chartered Financial Analyst.	199
Michael T. Atkinson 333 West Wacker Drive Chicago, IL 60606 (2/3/66)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 2002	Vice President (since 2002) of Nuveen Investments, LLC; Vice President of Nuveen Asset Management (since 2005).	199
Margo L. Cook 333 West Wacker Drive Chicago, IL 60606 (4/11/64)	Vice President	Term: Annual Length of Service: Since 2009	Executive Vice President (since 2008) of Nuveen Investments, Inc.; previously, Head of Institutional Asset Management (2007-2008) of Bear Stearns Asset Management; Head of Institutional Asset Mgt. (1986-2007) of Bank of NY Mellon;	199

Chartered Financial Analyst.

Lorna C. Ferguson 333 West Wacker Drive Chicago, IL 60606 (10/24/45)	Vice President	Term: Annual Length of Service: Since 1998	Managing Director (since 2004) of Nuveen Investments, LLC; Managing Director (since 2005) of Nuveen Asset Management.	199
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Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
Stephen D. Foy 333 West Wacker Drive Chicago, IL 60606 (5/31/54)	Vice President and Controller	Term: Annual Length of Service: Since 1993	Vice President (since 1993) and Funds Controller (since 1998) of Nuveen Investments, LLC; Vice President (since 2005) of Nuveen Asset Management; Certified Public Accountant.	199
Scott S. Grace 333 West Wacker Drive Chicago, IL 60606 (8/20/70)	Vice President and Treasurer	Term: Annual Length of Service: Since 2009	Managing Director, Corporate Finance & Development, Treasurer (since September 2009) of Nuveen Investments, LLC; formerly, Treasurer (2006-2009), Senior Vice President (2008-2009), previously, Vice President (2006-2008) of Janus Capital Group, Inc.; formerly, Senior Associate in Morgan Stanley's Global Financial Services Group (2000-2003); Chartered Accountant.	199
William T. Huffman 333 West Wacker Drive Chicago, IL 60606 (5/7/69)	Vice President	Term: Annual Length of Service: Since 2009	Chief Operating Officer, Municipal Fixed Income (since 2008) of Nuveen Asset Management; previously, Chairman, President and Chief Executive Officer (2002-2007) of Northern Trust Global Advisors, Inc. and Chief Executive Officer (2007) of Northern Trust Global Investments Limited; Certified Public Accountant.	135
Walter M. Kelly 333 West Wacker Drive Chicago, IL 60606 (2/24/70)	Chief Compliance Officer and Vice President	Term: Annual Length of Service: Since 2003	Senior Vice President (since 2008) formerly, Vice President (2006-2008), formerly, Assistant Vice President and Assistant General Counsel of Nuveen Investments, LLC; Senior Vice President (since 2008), formerly, Vice President (2006-2008), and Assistant Secretary (since 2003) of Nuveen Asset Management; formerly, Assistant	199

Vice President and Assistant  
Secretary of the Nuveen Funds  
(2003-2006).

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
David J. Lamb 333 West Wacker Drive Chicago, IL 60606 (3/22/63)	Vice President	Term: Annual Length of Service: Since 2000	Senior Vice President (since 2009), formerly, Vice President (2000-2009) of Nuveen Investments, LLC; Vice President of Nuveen Asset Management (since 2005); Certified Public Accountant.	199
Tina M. Lazar 333 West Wacker Drive Chicago, IL 60606 (8/27/61)	Vice President	Term: Annual Length of Service: Since 2002	Senior Vice President (since 2009), formerly, Vice President (1999-2009) of Nuveen Investments, LLC; Vice President of Nuveen Asset Management (since 2005).	199
Larry W. Martin 333 West Wacker Drive Chicago, IL 60606 (7/27/51)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 1988	Vice President, Assistant Secretary and Assistant General Counsel of Nuveen Investments, LLC; Vice President, Assistant General Counsel and Assistant Secretary of Nuveen Investments, Inc.; Vice President (since 2005) and Assistant Secretary (since 1997) of Nuveen Asset Management; Vice President and Assistant Secretary of Nuveen Investments Advisers Inc. (since 2002), NWQ Investment Management Company, LLC (since 2002), Symphony Asset Management LLC (since 2003), Tradewinds Global Investors, LLC and Santa Barbara Asset Management LLC (since 2006), Nuveen Hyde Park Group, LLC and Nuveen Investment Solutions, Inc. (since 2007).	199

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
Kevin J. McCarthy 333 West Wacker Drive Chicago, IL 60606 (3/26/66)	Vice President and Secretary	Term: Annual Length of Service: Since 2007	Managing Director (since 2008), formerly Vice President (2007-2008), Nuveen Investments, LLC; Managing Director (since 2008), formerly Vice President (2007-2008) and Assistant Secretary (since 2007), Nuveen Asset Management, Nuveen Investments Advisers Inc., Nuveen Investment Institutional Services Group LLC, NWQ Investment Management Company, LLC, Tradewinds Global Investors, LLC, NWQ Holdings, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, Nuveen HydePark Group, LLC and Nuveen Investment Solutions, Inc.; prior thereto, Partner, Bell, Boyd & Lloyd LLP (1997-2007).	199
John V. Miller 333 West Wacker Drive Chicago, IL 60606 (4/10/67)	Vice President	Term: Annual Length of Service: Since 2007	Chief Investment Officer and Managing Director (since 2007), formerly, Vice President (2002-2007) of Nuveen Asset Management; Managing Director (since 2007), formerly, Vice President (2002-2007) of Nuveen Investments, LLC; Chartered Financial Analyst.	134
Gregory Mino 333 West Wacker Drive Chicago, IL 60606 (1/4/71)	Vice President	Term: Annual Length of Service: Since 2009	Vice President of Nuveen Investments, LLC (since 2008); previously, Director (2004-2007) and Executive Director (2007-2008) of UBS Global Asset Management; previously, Vice President (2000-2003) and Director (2003-2004) of Merrill Lynch Investment Managers; Chartered Financial Analyst.	199





Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
Christopher M. Rohrbacher 333 West Wacker Drive Chicago, IL 60606 (8/1/71)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 2008	Vice President and Assistant Secretary of Nuveen Investments, LLC (since 2008); Vice President and Assistant Secretary of Nuveen Asset Management (since 2008); prior thereto, Associate, Skadden, Arps, Slate Meagher & Flom LLP (2002-2008).	199
James F. Ruane 333 West Wacker Drive Chicago, IL 60606 (7/3/62)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 2007	Vice President, Nuveen Investments (since 2007); prior thereto, Partner, Deloitte & Touche USA LLP (2005-2007), formerly, senior tax manager (2002-2005); Certified Public Accountant.	199
Mark L. Winget 333 West Wacker Drive Chicago, IL 60606 (12/21/68)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 2008	Vice President, Nuveen Investments, LLC (since 2008); Vice President and Assistant Secretary, Nuveen Asset Management (since 2008); prior thereto, Counsel, Vedder Price P.C. (1997-2007).	199

<sup>(1)</sup> Length of Time Served indicates the year the individual became an officer of a fund in the Nuveen fund complex.

### Audit Committee Report

The audit committee of each Board is responsible for the oversight and monitoring of (1) the accounting and reporting policies, processes and practices, and the audit of the financial statements, of each Fund, (2) the quality and integrity of the Funds' financial statements and (3) the independent registered public accounting firm's qualifications, performance and independence. In its oversight capacity, the committee reviews each Fund's annual financial statements with both management and the independent registered public accounting firm and the committee meets periodically with the independent registered public accounting firm and internal auditors to consider their evaluation of each Fund's financial and internal controls. The committee also selects, retains, evaluates and may replace each Fund's independent registered public accounting firm. The committee is currently composed of five Independent Board Members and operates under a written charter adopted and approved by each Board. Each committee member meets the independence and experience requirements, as applicable, of the New York Stock Exchange, NYSE Amex, Section 10A of the 1934 Act and the rules and regulations of the SEC.

The committee, in discharging its duties, has met with and held discussions with management and each Fund's independent registered public accounting firm. The committee has also reviewed and discussed the audited financial statements with management. Management has represented to the independent registered public accounting firm that each Fund's financial statements were prepared in accordance with generally accepted accounting principles. The

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committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards ( SAS ) No. 61 (Communication with Audit Committees), as amended by SAS No. 90 (Audit Committee Communications). Each Fund s independent registered public accounting firm provided to the committee the written disclosure required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the committee discussed with representatives of the independent registered public accounting firm their firm s independence. As provided in the Audit Committee Charter, it is not the committee s responsibility to determine, and the considerations and discussions referenced above do not ensure, that each Fund s financial statements are complete and accurate and presented in accordance with generally accepted accounting principles.

Based on the committee s review and discussions with management and the independent registered public accounting firm, the representations of management and the report of the independent registered public accounting firm to the committee, the committee has recommended that the audited financial statements be included in each Fund s Annual Report.

The current members of the committee are:

Robert P. Bremner  
Jack B. Evans  
David J. Kundert  
William J. Schneider  
Terence J. Toth

**Audit and Related Fees.** The following tables provide the aggregate fees billed during each Fund's last two fiscal years by each Fund's independent registered public accounting firm for engagements directly related to the operations and financial reporting of each Fund including those relating (i) to each Fund for services provided to the Fund and (ii) to the Adviser and certain entities controlling, controlled by, or under common control with the Adviser that provide ongoing services to each Fund ( "Adviser Entities" ).

	Audit Fees		Audit Related Fees				Tax Fees				All Other Fees	
	Funds <sup>(1)</sup>		Fund <sup>(2)</sup>		Adviser and Adviser Entities		Fund <sup>(3)</sup>		Adviser and Adviser Entities		Fund <sup>(4)</sup>	
	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009	Fiscal Year Ended 2008	Fiscal Year Ended 2009
1	\$ 13,472	\$ 13,112	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 850	\$ 850
1 2	11,539	11,297	0	0	0	0	0	0	0	0	850	850
ent	19,511	19,617	0	0	0	0	0	0	0	0	3,350	3,400
	11,765	12,084	0	0	0	0	0	0	0	0	0	0
5)	N/A	9,000	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0
ance	18,054	17,507	0	0	0	0	0	0	0	0	3,350	3,400
	23,974	24,373	0	0	0	0	0	0	0	0	3,350	3,400
	23,730	24,162	0	0	0	0	0	0	0	0	3,350	3,400
	12,685	12,798	0	0	0	0	0	0	0	0	850	0
	12,964	13,075	0	0	0	0	0	0	0	0	3,350	3,400
	9,600	9,835	0	0	0	0	0	0	0	0	850	850
	19,231	17,227	0	0	0	0	2,750	2,750	0	0	0	0
	23,500	23,500	0	0	0	0	0	0	0	0	7,100	6,000
d	33,000	33,000	0	0	0	0	0	0	0	0	1,100	2,000
	19,619	18,224	0	0	0	0	3,750	1,850	0	0	0	0
	24,260	22,782	0	0	0	0	3,750	1,850	0	0	0	0
come	30,715	28,937	0	0	0	0	3,750	1,850	0	0	0	0
	45,713	42,894	0	0	0	0	3,750	1,850	0	0	0	0
	22,612	22,502	0	0	0	0	0	0	0	0	7,100	6,000
	34,274	34,585	0	0	0	0	0	0	0	0	7,100	6,000
	14,364	14,163	0	0	0	0	0	0	0	0	7,100	6,000
	26,000	26,000	0	0	0	0	0	0	0	0	1,800	2,000
vidend	22,000	22,000	0	0	0	0	0	0	0	0	1,800	0

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26,674	26,316	0	0	0	0	2,500	2,500	0	0	0	0
22,109	20,530	0	0	0	0	1,850	1,850	0	0	0	0
54,365	50,816	0	0	0	0	2,500	2,500	0	0	0	0
23,872	23,436	0	0	0	0	0	0	0	0	7,100	6,000
29,128	29,564	0	0	0	0	0	0	0	0	7,100	6,000

- (1) **Audit Fees** are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
- (2) **Audit Related Fees** are the aggregate fees billed for assurance and related services reasonably related to the performance of audit or review of financial statements and are not reported under **Audit Fees**.
- (3) **Tax Fees** are the aggregate fees billed for professional services for tax advice, tax compliance and tax planning.
- (4) **All Other Fees** are the aggregate fees billed for products and services for agreed-upon procedures engagements for the leveraged Funds.
- (5) The Fund commenced operations on April 28, 2009.

	<b>Total Non-Audit Fees Billed to Fund</b>		<b>Total Non-Audit Fees Billed to Adviser and Adviser Entitles (Engagements Related Directly to the Operations and Financial Reporting of Fund)</b>		<b>Total Non-Audit Fees Billed to Adviser and Adviser Entitles (All Other Engagements)</b>		<b>Total</b>	
	<b>Fiscal Year Ended 2008</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2008</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2008</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2008</b>	<b>Fiscal Year Ended 2009</b>
New York Dividend	\$ 850	\$ 850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 850	\$ 850
New York Dividend 2	850	850	0	0	0	0	850	850
New York Investment Quality	3,350	3,400	0	0	0	0	3,350	3,400
New York Value	0	0	0	0	0	0	0	0
New York Value 2 <sup>(1)</sup>	N/A	0	N/A	0	N/A	0	N/A	0
New York Performance Plus	3,350	3,400	0	0	0	0	3,350	3,400
New York Quality	3,350	3,400	0	0	0	0	3,350	3,400
New York Select	3,350	3,400	0	0	0	0	3,350	3,400
Insured New York Dividend	850	0	0	0	0	0	850	0
Insured New York Premium	3,350	3,400	0	0	0	0	3,350	3,400
Insured New York Tax-Free	850	850	0	0	0	0	850	850
Core Equity	2,750	2,750	0	0	0	0	2,750	2,750
Real Estate	7,100	6,000	0	0	0	0	7,100	6,000
Diversified Dividend	1,100	2,000	0	0	0	0	1,100	2,000
Equity Premium	3,750	1,850	0	0	0	0	3,750	1,850
Equity Premium Advantage	3,750	1,850	0	0	0	0	3,750	1,850
Equity Premium Income	3,750	1,850	0	0	0	0	3,750	1,850
Equity Premium Opportunity	3,750	1,850	0	0	0	0	3,750	1,850
Quality Preferred	7,100	6,000	0	0	0	0	7,100	6,000
Quality Preferred 2	7,100	6,000	0	0	0	0	7,100	6,000
Quality Preferred 3	7,100	6,000	0	0	0	0	7,100	6,000
Tax-Advantaged	1,800	2,000	0	0	0	0	1,800	2,000
Tax-Advantaged Dividend	1,800	0	0	0	0	0	1,800	0
Global Government	2,500	2,500	0	0	0	0	2,500	2,500
Global Value	1,850	1,850	0	0	0	0	1,850	1,850
Multi-Currency	2,500	2,500	0	0	0	0	2,500	2,500

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Multi-Strategy	7,100	6,000	0	0	0	0	7,100	6,000
Multi-Strategy 2	7,100	6,000	0	0	0	0	7,100	6,000

(1) The Fund commenced operations on April 28, 2009.

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**Audit Committee Pre-Approval Policies and Procedures.** Generally, the audit committee must approve each Fund's independent registered public accounting firm's engagements (i) with the Fund for audit or non-audit services and (ii) with the Adviser and Adviser Entities for non-audit services if the engagement relates directly to the operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent registered public accounting firm for each Fund and the Adviser and Adviser Entities (with respect to the operations and financial reporting of each Fund), such engagements will be (i) pre-approved by the audit committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the audit committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the audit committee at the next audit committee meeting if they are expected to be for an amount under \$5,000.

The audit committee has approved in advance all audit services and non-audit services that the independent registered public accounting firm provided to each Fund and to the Adviser and Adviser Entities (with respect to the operations and financial reporting of each Fund). None of the services rendered by the independent registered public accounting firm to each Fund or the Adviser or Adviser Entities were pre-approved by the audit committee pursuant to the pre-approval exception under Rule 2.01(c)(7)(i)(C) or Rule 2.01(c)(7)(ii) of Regulation S-X.

### **Additional Information**

#### **Appointment of the Independent Registered Public Accounting Firm**

The Board of each Fund (except Equity Premium, Equity Premium Advantage, Equity Premium Income, Core Equity, Equity Premium Opportunity, Global Government, Global Value and Multi-Currency) has appointed Ernst & Young LLP as independent registered public accounting firm to audit the books and records of the Fund for its current fiscal year. The Boards of Equity Premium, Equity Premium Advantage, Equity Premium Income, Core Equity, Equity Premium Opportunity, Global Government, Global Value and Multi-Currency have appointed PricewaterhouseCoopers LLP as independent registered public accounting firm to audit the books and records of these Funds for their current fiscal years. A representative of each independent registered public accounting firm will be present at the Annual Meetings to make a statement, if such representative so desires, and to respond to shareholders' questions. Each independent registered public accounting firm has informed each applicable Fund that it has no direct or indirect material financial interest in the Funds, Nuveen, the Adviser or any other investment company sponsored by Nuveen.

#### **Section 16(a) Beneficial Interest Reporting Compliance**

Section 30(h) of the 1940 Act and Section 16(a) of the 1934 Act require Board Members and officers, the Adviser, affiliated persons of the Adviser and persons who own more than 10% of a registered class of a Fund's equity securities to file forms reporting their affiliation with that Fund and reports of ownership and changes in ownership of that Fund's shares with the SEC and the New York Stock Exchange or NYSE Amex, as applicable. These persons and entities are required by SEC regulation to furnish the Funds with copies of all Section 16(a) forms they file. Based on a review of these forms furnished to each Fund, each Fund believes that its Board Members and officers, Adviser and affiliated persons of the Adviser have complied with all applicable Section 16(a) filing requirements during its last fiscal year, except that with respect to New York Select, Insured New York Dividend, Insured New York Premium, Insured New York Tax-Free, Global Value, Global Government, Core Equity, Diversified Dividend, Equity Premium, Equity

Premium Opportunity, Equity Premium Income, Equity Premium Advantage and Tax-Advantaged Dividend, James Ruane made an amended filing on Form 3 in 2009; with respect to Real Estate, William Adams made an amended filing on Form 3 in 2009; and with respect to Real Estate, Equity Premium Opportunity and Multi-Strategy, David Lamb made a late filing on Form 4 in 2009. To the knowledge of management of the Funds, no shareholder of a Fund owns more than 10% of a registered class of a Fund's equity securities, except as provided in Appendix B.

### **Information About the Adviser**

The Adviser, located at 333 West Wacker Drive, Chicago, Illinois 60606, serves as investment adviser and manager for each Fund. The Adviser is a wholly-owned subsidiary of Nuveen. Nuveen is a wholly-owned subsidiary of Windy City, a corporation formed by investors led by Madison Dearborn Partners, LLC ( "MDP" ), a private equity investment firm based in Chicago, Illinois. Windy City is controlled by MDP on behalf of the Madison Dearborn Capital Partner V funds.

### **Shareholder Proposals**

To be considered for presentation at the annual meeting of shareholders for the Funds to be held in 2011, shareholder proposals submitted pursuant to Rule 14a-8 of the 1934 Act must be received at the offices of that Fund, 333 West Wacker Drive, Chicago, Illinois 60606, not later than January 4, 2011. A shareholder wishing to provide notice in the manner prescribed by Rule 14a-4(c)(1) of a proposal submitted outside of the process of Rule 14a-8 for the annual meeting must, pursuant to each Fund's By-Laws, submit such written notice to the Fund not later than March 16, 2011 or prior to March 1, 2011. Timely submission of a proposal does not mean that such proposal will be included in a proxy statement.

### **Shareholder Communications**

Fund shareholders who want to communicate with the Board or any individual Board Member should write to the attention of Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606. The letter should indicate that you are a Fund shareholder and note the Fund or Funds that you own. If the communication is intended for a specific Board Member and so indicates it will be sent only to that Board Member. If a communication does not indicate a specific Board Member, it will be sent to the Independent Chairman and the outside counsel to the Independent Board Members for further distribution as deemed appropriate by such persons.

### **Expenses of Proxy Solicitation**

The cost of preparing, printing and mailing the enclosed proxy, accompanying notice and proxy statement and all other costs in connection with the solicitation of proxies will be paid by the Funds pro rata based on the number of shareholder accounts. Additional solicitation may be made by letter or telephone by officers or employees of Nuveen or the Adviser, or by dealers and their representatives. Any additional costs of solicitation will be paid by the Fund that requires additional solicitation.

### **Fiscal Year**

The last fiscal year end for New York Dividend, New York Dividend 2, Insured New York Dividend, Insured New York Tax-Free, New York Investment Quality, New York Value, New York Value 2, New York Performance Plus, New York Quality, New York Select and Insured New York



Premium was September 30, 2009. The last fiscal year end for Real Estate, Diversified Dividend, Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Tax-Advantaged, Tax-Advantaged Dividend, Global Government, Global Value, Core Equity, Multi-Currency, Multi-Strategy and Multi-Strategy 2 was December 31, 2009.

### **Annual Report Delivery**

**Annual reports will be sent to shareholders of record of each Fund following each Fund's fiscal year end. Each Fund will furnish, without charge, a copy of its annual report and/or semi-annual report as available upon request. Such written or oral requests should be directed to such Fund at 333 West Wacker Drive, Chicago, Illinois 60606 or by calling 1-800-257-8787.**

### **Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting To Be Held on April 6, 2010:**

**Each Fund's proxy statement is available at [www.nuveen.com/CEF/Info/Shareholder/Proxy Statements.aspx](http://www.nuveen.com/CEF/Info/Shareholder/Proxy%20Statements.aspx). For more information, shareholders may also contact the applicable Fund at the address and phone number set forth above.**

Please note that only one annual report or proxy statement may be delivered to two or more shareholders of a Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of an annual report or proxy statement, or for instructions as to how to request a separate copy of such documents or as to how to request a single copy if multiple copies of such documents are received, shareholders should contact the applicable Fund at the address and phone number set forth above.

### **General**

Management does not intend to present and does not have reason to believe that any other items of business will be presented at the Annual Meetings. However, if other matters are properly presented to the Annual Meetings for a vote, the proxies will be voted by the persons acting under the proxies upon such matters in accordance with their judgment of the best interests of the Fund.

A list of shareholders entitled to be present and to vote at each Annual Meeting will be available at the offices of the Funds, 333 West Wacker Drive, Chicago, Illinois, for inspection by any shareholder during regular business hours beginning ten days prior to the date of the Annual Meeting.

Failure of a quorum to be present at any Annual Meeting will necessitate adjournment and will subject that Fund to additional expense. The persons named in the enclosed proxy may also move for an adjournment of any Annual Meeting to permit further solicitation of proxies with respect to the proposal if they determine that adjournment and further solicitation is reasonable and in the best interests of the shareholders. Under each Fund's By-Laws, an adjournment of a meeting with respect to a matter requires the affirmative vote of a majority of the shares entitled to vote on the matter present in person or represented by proxy at the meeting.

**IF YOU CANNOT BE PRESENT AT THE MEETING, YOU ARE REQUESTED TO FILL IN, SIGN AND RETURN THE ENCLOSED PROXY PROMPTLY. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.**

Kevin J. McCarthy  
*Vice President and Secretary*

*March 1, 2010*

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## Appendix A

**Beneficial Ownership**

The following table lists the dollar range of equity securities beneficially owned by each Board Member nominee in each Fund and in all Nuveen funds overseen by the Board Member nominee as of December 31, 2009.

Board Member Nominees	Dollar Range of Equity Securities								
	New York			New York			Insured		
	New York	New York	New York	New York	New York	New York	New York	New York	New York
	Dividend	2	Quality	Value	2	Plus	Quality	Select	Dividend
<b>Board Members/Nominees who are not interested persons of the Funds</b>									
Robert P. Bremner	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Jack B. Evans	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
William C. Hunter	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
David J. Kundert	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
William J. Schneider	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Judith M. Stockdale	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Carole E. Stone	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Terence J. Toth	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Board Member/Nominee who is an interested person of the Funds</b>									
John P. Amboian	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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Member Nominees	Dollar Range of Equity Securities						Equity	
	Insured New York Premium	Insured New York Tax-Free	Core Equity	Real Estate	Diversified Dividend	Equity Premium	Premium Advantage	
<b>Members/Nominees who are not interested persons of the Funds</b>								
P. Bremner	\$ 0	\$ 0	\$ 0	\$ 0	over \$ 100,000	\$ 0	\$ 0	\$ 0
Evans	\$ 0	\$ 0	\$ 0	\$ 1-\$10,000	\$ 0	\$ 0	\$ 0	\$ 0
n C. Hunter	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
. Kundert	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
n J. Schneider	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
M. Stockdale	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,001-\$50,000	\$ 0	\$ 0	\$ 0
E. Stone	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
e J. Toth	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Member/Nominee who is an interested person of the Funds</b>								
Amboian	\$ 0	\$ 0	Over \$ 100,000	50,001-\$ 100,000	\$ 10,001-\$50,000	\$ 0	\$ 50,001-\$100,000	

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**Dollar Range of Equity Securities**

	Quality Preferred 2	Quality Preferred 3	Tax-Advantaged	Tax-Advantaged Dividend	Global Government	Global Value	Multi-Currency	Multi-Strategy				
<b>Interested persons of the Funds</b>												
\$	0	\$ 0	Over \$ 100,000	\$ 0	\$	0	Over \$ 100,000	\$ 0	\$ 10,001-\$50,000			
\$	10,001-\$50,000	\$ 0	\$	0	\$ 0	\$	0	\$ 0	\$ 10,001-\$50,000			
\$	0	\$ 0	\$	0	\$ 0	\$	0	\$ 0	\$			
\$	0	\$ 0	\$	0	\$ 0	\$	0	\$ 0	\$			
\$	0	\$ 0	\$	0	\$ 0	\$	1-\$10,000	\$	0			
\$	0	\$ 0	\$	0	\$ 0	\$	10,001-\$50,000	\$	0			
\$	0	\$ 0	\$	0	\$ 0	\$	0	\$	0			
\$	0	\$ 0	\$	0	\$ 0	\$	0	\$	0			
<b>Interested person of the Funds</b>												
\$	1-\$10,000	\$ 0	\$	0	\$ 0	\$	0	Over \$ 100,000	\$ 0	\$	0	Over

(1) The amounts reflect the aggregate dollar range of equity securities of the number of shares beneficially owned by the Board Member in the Funds and in all Nuveen funds overseen by each Board Member.



The following table sets forth, for each Board Member nominee and for the Board Member nominees and officers as a group, the amount of shares beneficially owned in each Fund as of December 31, 2009. The information as to beneficial ownership is based on statements furnished by each Board Member nominee and officer.

**Fund Shares Owned By Board Member Nominees And Officers<sup>(1)</sup>**

	New York		New York				New York		New York	
Board Member Nominees/Board Members	New York Dividend	New York Dividend 2	Investment Quality	New York Value	New York Value 2	New York Performance Plus	New York Quality	New York Select	New York Dividend	
<b>Board Members who are not interested persons of the Funds</b>										
Remmer	0	0	0	0	0	0	0	0	0	0
ns	0	0	0	0	0	0	0	0	0	0
Hunter	0	0	0	0	0	0	0	0	0	0
ndert	0	0	0	0	0	0	0	0	0	0
Schneider	0	0	0	0	0	0	0	0	0	0
Stockdale	0	0	0	0	0	0	0	0	0	0
one	0	0	0	0	0	0	0	0	0	0
Coth	0	0	0	0	0	0	0	0	0	0
<b>Who is an interested person of the Funds</b>										
Boian	0	0	0	0	0	0	15,000	15	135	
Stock issued for services			156,560	157	286,418		\$286,575			
Stock issued for related party			1,200,000	1,200	598,800		\$600,000			
Stock issued for cash			130,000	130	64,870		\$65,000			
						(1,785,114)	\$(1,785,114)			
December 31, 2016	-	\$-	16,931,816	\$16,932	\$3,393,539	\$(3,120,218)	\$290,253			

The accompanying notes are an integral part of these consolidated financial statements.

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ACACIA DIVERSIFIED HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$(1,785,114)	\$(611,819)
Adjustments to reconcile net loss to net cash and cash equivalents used by operating activities:		
Depreciation	76,860	24,444
Common stock issued for services	286,575	197,500
Loss on sale of equipment to related party	42,987	-
(Increase) decrease in:		
Accounts receivable	112,070	(147,700)
Accounts receivable, related party	-	100
Inventories	(63,085 )	-
Prepaid expenses and other current assets	(33,422 )	(8,135 )
Increase (decrease) in:		
Accounts payable and accrued expenses	371,243	(11,978 )
Payable to related party	4,000	(43,834 )
Net cash used by operating activities	(987,886 )	(601,422)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Accounts payable, equipment purchase	-	(54,921 )
Acquisition of property and equipment	(35,414 )	(196,341)
Net cash used by investing activities	(35,414 )	(251,262)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from sale of common stock	65,000	780,600
Proceeds from issuance of member units	-	100
Common stock issued from exercise of options	150	-
Proceeds from advances from related party	600,000	-
Proceeds from reverse acquisition	180,854	-
Net cash provided by financing activities	846,004	780,700
Net change in cash and cash equivalents	(177,296 )	(71,984 )
Cash and cash equivalents, beginning of the year	221,174	293,158
Cash and cash equivalents, end of the year	\$43,878	\$221,174
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for interest	\$48	\$-
Cash paid for income taxes	\$-	\$-
<b>NON-CASH FINANCING AND INVESTING ACTIVITIES:</b>		
Common stock issued from conversion of payable to related party	\$600,000	\$-
Common stock issued in reverse acquisition and recapitalization	\$48,830	\$-

Changes in operating assets and liabilities due to reverse acquisition:

Prepaid expenses	\$ (3,434	)	\$-
Property and equipment	\$ (95,860	)	\$-
Accumulated depreciation	\$ 44,332		\$-
Deposits	\$ (841	)	\$-
Accounts payable	\$ 6,973		\$-

The accompanying notes are an integral part of these consolidated financial statements.

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ACACIA DIVERSIFIED HOLDINGS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

NOTE 1 - THE COMPANY

Acacia Diversified Holdings, Inc. (“Acacia” or the “Company”) by and through its wholly-owned subsidiaries, MariJ Pharmaceuticals, Inc. and Canna-Cures Research & Development Center, Inc.

Prior to the Merger (see NOTE 2), the Company sold the assets and related businesses of its Citrus Extracts, Inc. and Acacia Transport Services, Inc. subsidiaries, and its Acacia Milling Services operations, being all of its then revenue-producing operations, on June 29, 2015, and accounted for those operations as discontinued effective with the Quarterly Report on Form 10-Q for the period ended June 30, 2015. Those events were reported in their entirety by the Company on its Current Report on Form 8-K on July 16, 2015.

Immediately following the disposal of its citrus manufacturing related subsidiaries at the end of June 2015, the Company began reviewing opportunities for new acquisitions, including its review of MariJ Agricultural, Inc. and related entities in the Clearwater, Florida area. Following discussions that began in earnest in September 2015, and an agreement on the terms of acquisition, the Company entered into a Letter of Intent in November 2015 to acquire the assets and businesses of the MariJ Group of companies that included MariJ Agricultural, JR Cannabis Industries, LLC and Canna-Cures Research & Development Center, LLC. An amended Letter of Intent was drafted on December 8, 2015 and the acquisition was consummated on January 15, 2016 with an effective date of January 4, 2016.

On January 19, 2016 the Company filed a Current Report on Form 8-K describing the events relating to the acquisition transactions. The Company subsequently filed expanded and updated information relating to that acquisition on its Amended Current Report on Form 8-K/A on April 25, 2016.

Following those acquisitions, the Company formed two new subsidiaries to conduct its new medical cannabis business activities, being MariJ Pharmaceuticals, Inc. (“MariJ Pharma”) and Canna-Cures Research & Development Center, Inc. (“Canna-Cures”).

The Company’s primary source revenue is from the extraction of medicinal cannabis oil, from a non-psychoactive cannabis plant. All extraction services are currently limited to the State of Colorado, as the Company is attempting to attain various licenses for business in the State of Florida.

NOTE 2 – REVERSE MERGER ACCOUNTING

On January 15, 2016 the Company entered into a definitive Asset Purchase Agreement to acquire substantially all of the assets of the “MariJ Group” of companies, including (1) MariJ Agricultural, Inc.; (2) Canna-Cures Research & Development Center, LLC; and, (3) JR Cannabis Industries, LLC with an effective date of January 4, 2016. In connection with the acquisition, the Company issued 2,474,850 shares of its common stock to the shareholders and members of the MariJ Group.

As result of this transaction Rick Pertile, CEO of MariJ Group, became CEO and Chairman of the Board of Directors of Acacia. In addition two members of the Board of Directors of Acacia resigned and Mr. Pertile, together with the two remaining directors, appointed to Acacia’s Board two individuals that were owners and directors of the MariJ Group. After the acquisition, all company operations were those of the MariJ Group.

The merger of the MariJ Group into the non-operating public company (Acacia), which had only nominal assets (total net assets aggregated \$229,684, including cash of \$180,854), is considered to be a capital transaction. The transaction was equivalent to the issuance of stock by the MariJ Group for the net assets of Acacia, accompanied by a recapitalization.

The historical consolidated financial statements of the MariJ Group become the consolidated financial statements of the public company subsequent to the merger. The audited consolidated financial statements of the MariJ Group were included in the Current Report on Form 8-K/A filed April 25, 2016 by Acacia.

The weighted average number of outstanding shares has been adjusted for the reverse merger transaction.

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ACACIA DIVERSIFIED HOLDINGS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
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NOTE 3 - GOING CONCERN

The Company has not generated profit to date. The Company expects to continue to incur operating losses as it proceeds with its extraction and research and development activities and continues to navigate it through the regulatory process. The Company expects general and administrative costs to increase, as the Company adds personnel and other administrative expenses associated with its current efforts. As such, and without substantially increasing revenue or finding new sources of capital, the Company will find it difficult to continue to meet its obligations as they come due. The Company is still locating new clients for its services and products, and the business is generally seasonal with the second and third quarters of the calendar year being the slowest as a result of it being the “off season” for outside grow of Cannabis hemp plants. The Company is currently involved in a capital raise which, if successful, could result in obtaining indoor grow facilities that could provide for year-round grows. There can be no assurance that the Company will be successful in its efforts to raise capital, or if it were successful in raising capital, that it would be successful in meeting its business plans. While the services performed by the Company’s MariJ Pharma subsidiary and sales of current inventory supplies, if sold on a seasonally-adjusted basis, are anticipated to be sufficient to meet the Company’s liquidity needs, these factors raise some doubt as to the ability of the Company to continue as a going concern. Management’s plans include increasing production at the Company’s new MariJ Pharma subsidiary during 2017, selling its inventories of products, attempting to start new businesses or find additional operational businesses to buy, and attempting to raise funds from the public through an equity offering of the Company’s common stock and sales of convertible debentures through a private placement offering instituted in the early part of 2017. Management intends to make every effort to identify and develop all these sources of funds, but there can be no assurance that Management’s plans will be successful.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred losses for all periods presented and has a substantial accumulated deficit. As of December 31, 2016, these factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF PRESENTATION** - The consolidated financial statements should be read in conjunction with the annual financial statements for Acacia most recently completed fiscal year ended December 31, 2015, and the audited consolidated financial statements of the MariJ Group of companies for the year ended December 31, 2015, included in Acacia’s Form 8-K/A filed on April 25, 2016.

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) with December 31, as its year-end. The consolidated financial statements and notes are the representations of the Company’s management who are responsible for their integrity and objectivity.

**PRINCIPLES OF CONSOLIDATION** – The consolidated financial statements include the accounts of Acacia Diversified Holdings, Inc. and its two wholly-owned subsidiaries, MariJ Pharmaceuticals, Inc. and Canna-Cures Research & Development Center, Inc. All significant intercompany accounts and transactions are eliminated in consolidation.

**USE OF ESTIMATES** - Preparing the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions about current, and for some estimates, future economic and market conditions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**CASH AND CASH EQUIVALENTS** - The Company considers all short-term investments purchased with a maturity of three months or less to be cash equivalents. Credit risk associated with cash deposits are insured under FDIC up to \$250,000 per depositor, per FDIC insured bank, per ownership category. At such time, as the Company's cash deposits exceed FDIC limits, the Company will reassess their credit risk.

**ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS** – The Company's accounts receivable represents amounts due from customers for extraction services performed. Allowance for uncollectible accounts receivable is estimated based on the aging of the accounts receivable and management estimate of uncollectible amounts. For the years ended December 31, 2016 and 2015, there were no bad debts.

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ACACIA DIVERSIFIED HOLDINGS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015  
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**CONCENTRATION OF CUSTOMERS** – All of the Company’s extraction revenue during the fiscal years 2016 and 2015, which accounted for 95% of total revenue, came from the Company’s only two customers. One customer accounted for 72% while another customer accounted for 23% of the total revenue. The entire trade receivable balance at December 31, 2016 and 2015 was due from an individual customer.

**INVENTORIES** – Inventories are stated at the lower of cost or market. Cost is determined using the average cost method. The Company’s inventory consists of raw materials and finished goods. Cost of inventory includes cost of ingredients, labor, quality control and all other costs incurred to bring our inventories to condition ready to be sold.

**PROPERTY AND EQUIPMENT** – Property and equipment are stated at cost less accumulated depreciation. Major renewals and improvements are capitalized, while minor replacements, maintenance and repairs are charged to current operations. Depreciation is computed by applying the straight-line method over the estimated useful lives, which are generally three to fifteen years.

**IMPAIRMENT OF LONG-LIVED ASSETS** – In accordance with Accounting Standards Codification 360-10-05 - Impairment or Disposal of Long-Lived Assets, long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment at least annually or whenever facts and circumstances indicate that the carrying value may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset. The Company did not recognize any impairment losses for any periods presented.

**REVENUE RECOGNITION** – The Company generates revenue from extracting and processing very high quality, high-cannabinoid profile content medical grade cannabis oils from medicinal cannabis plants. The Company recognizes revenue when it is realized or realizable and earned.

The Company considers revenue realized or realizable and earned when all of the following criteria are met:

- o persuasive evidence of an arrangement exists
- o the product has been shipped or the services have been rendered to the customer
- o the sales price is fixed or determinable
- o collectability is reasonably assured.

**ADVERTISING COSTS** - Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2016 and 2015 amounted to \$15,427 and \$18,971, respectively.

**FAIR VALUE OF FINANCIAL INSTRUMENTS** - The carrying amounts of cash and cash equivalents, accounts receivable, deposits, prepaid expenses, accounts payable and accrued expenses approximate fair value due to the short-term nature of these instruments. Accounts payable and accrued expenses as of December 31, 2016 and 2015 included amounts due to vendors and service providers in the amounts of \$390,530 and \$12,315, respectively. Amount at December 31, 2016 also included accrued compensation to the Company’s current CEO and severance compensation to the Company’s former CEO.



FAIR VALUE ESTIMATES – The Company measures its options and warrants at fair value in accordance with Accounting Standards Codification 820 – Fair Value Measurement (“ASC 820”). The objective of ASC 820 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. ASC 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 specifies a valuation hierarchy based on whether the inputs to those valuation techniques are observable or unobservable.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company’s own assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices for identical instruments in active markets;

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(continued)

This hierarchy requires the Company to minimize the use of unobservable inputs and to use observable market data, if available, when estimating fair value. No new options or warrants were issued during the years ended December 31, 2016 and 2015.

	Quoted Active Markets for Identified Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
December 31, 2016				
Common stock issued for services	-	\$ 286,575	-	\$ 286,575
December 31, 2015				
Common stock issued for services	-	\$ 197,500	-	\$ 197,500

All common stock issued for services are valued on the date of the agreements, using quoted prices from over-the-counter markets.

RECLASSIFICATIONS – Certain reclassifications have been made to previously reported amounts, so that the prior year’s presentation is comparative with the current year’s presentation.

COMPENSATED ABSENCES - The Company has not accrued a liability for compensated absences in accordance with Accounting Standards Codifications 710 – Compensation – General, as the amount of the liability cannot be reasonably estimated at December 31, 2016 and 2015.

LOSS PER COMMON SHARE - Basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted loss per share would include the weighted average common shares outstanding and potentially dilutive common share equivalents. Because of the net losses for all periods presented, the basic and diluted weighted average shares outstanding are the same since including the additional shares would have an anti-dilutive effect on the loss per share. For this reason, common stock options and warrants to purchase 75,000 and 0 shares, respectively, of common stock were not included in the computation of basic and diluted weighted average common shares outstanding for the years ended December 31, 2016 and 2015.

The weighted average number of common shares outstanding at December 31, 2015 was computed as follows:

Acacia Diversified Holdings, Inc.	
Shares outstanding at December 31, 2015	12,955,406
Shares issued to MariJ Group shareholders, January 15, 2016	2,474,850
	15,430,256

These shares were considered to be outstanding for the entire calendar year of 2015.

**INCOME TAXES** - The Company files federal and state income tax returns in accordance with the applicable rules of each jurisdiction. We account for income taxes under the asset and liability method in accordance with Accounting Standards Codification 740 - Income Taxes ("ASC 740"). The provision for income taxes includes federal, state and local income taxes currently payable, as well as deferred taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable amounts in years in which those temporary differences are expected to be recovered or settled. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized. In accordance with ASC 740, we recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company currently has substantial net operating loss carryforwards. The Company has recorded a valuation allowance equal to the net deferred tax assets due to the uncertainty of the ultimate realization of the deferred tax assets.

**CONTINGENCIES** - Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

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ACACIA DIVERSIFIED HOLDINGS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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If the assessment of a contingency indicates that it is possible that a material loss has been incurred and the amount of the liability can be estimated, the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of range of possible loss if determinable and material, would be disclosed. There was no known contingency at December 31, 2016.

In the normal course of business, the Company also enters into various other guarantees and indemnities in its relationships with suppliers, service providers, customers and others. These guarantees and indemnifications do not materially impact the Company's financial condition or results of operations, and indemnifications associated with the Company's actions generally have no dollar limitations and currently cannot be quantified.

**STOCK BASED COMPENSATION** - The Company accounts for stock-based compensation under Accounting Standards Codification 718 - Compensation-Stock Compensation ("ASC 718"). ASC 718 requires that all stock-based compensation be recognized as expense in the financial statements and that such cost be measured at the fair value of the award at the grant date and recognized over the period during which an employee is required to provide services (requisite service period). An additional requirement of ASC 718 is that estimated forfeitures be considered in determining compensation expense. Estimating forfeitures did not have a material impact on the determination of compensation expense during the years ended December 31, 2016 and 2015.

The Company accounts for stock based awards based on the fair market value of the instrument using the Black-Scholes option pricing model and utilizing certain assumptions including the followings:

**Risk-free interest rate** – This is the yield on U.S. Treasury Securities posted at the date of grant (or date of modification) having a term equal to the expected life of the option. An increase in the risk-free interest rate will increase compensation expense.

**Expected life—years** – This is the period of time over which the options granted are expected to remain outstanding. Options granted by the Company had a maximum term of ten years. An increase in the expected life will increase compensation expense.

**Expected volatility** – Actual changes in the market value of stock are used to calculate the volatility assumption. An increase in the expected volatility will increase compensation expense.

**Dividend yield** – This is the annual rate of dividends per share over the exercise price of the option. An increase in the dividend yield will decrease compensation expense. The Company does not currently pay dividends and has no immediate plans to do so in the near future.

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of Accounting Standards Codification 505-50, Equity – Based Payments to Non-Employees. Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The value of the common stock is measured at the earlier of (i) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (ii) the date at which the counterparty's performance is complete.

NOTE 5 - RELATED PARTY TRANSACTIONS

From 2007 through the end of its fiscal 2010, the Company granted 10,000 common share stock purchase options to each of its outside directors upon their appointment in accordance to the Acacia Automotive, Inc. 2007 Stock Incentive Plan. Additionally, 15,000 common share purchase options were granted to each eligible director for each year of elected annual service to the Company, as well as other options for services on committees of the board of directors or for acting as chairs thereof. On December 30, 2010, the Company's board of directors voted to temporarily suspend director compensation, including the issuance of common stock purchase options, to its members effective January 1, 2011. That suspension of director compensation has not yet been lifted. As such, the Company did not issue any common stock purchase options to directors during the years ended December 31, 2016 and 2015, but did pay \$1,000 cash compensation to each of its four non-employee directors during the year ended December 31, 2016, totaled \$4,000 and pay \$10,000 cash compensation to each of its three non-employee directors during the year ended December 31, 2015, totaled \$30,000, for services performed.

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ACACIA DIVERSIFIED HOLDINGS, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 DECEMBER 31, 2016 AND 2015  
 (continued)

During the year ended December 31, 2016, the Company's CEO advanced working capital in multiple tranches totaled \$600,000 to the Company to fund operating expenses. In December 2016, the Company issued to the CEO 1,200,000 shares of the Company's common stock at \$0.50 per share as payment in full of this advance.

On May 1, 2016, the Company entered into an employment agreement with its CEO. The term of the employment is through December 31, 2019. The agreement provides for a monthly reimbursement of \$1,000 for the rental of a second office owned by the CEO and a monthly automobile allowance of \$1,000. During the year ended December 31, 2016, expenses related to the office rental and automobile allowance totaled \$16,000 of which \$4,000 remained owed to the CEO at December 31, 2016.

The Company's CEO is also the majority stockholder in MariJ Agricultural, Inc ("MariJ Ag"). The stockholder has provided funds to pay the initial operating expenses when operations commenced in March 2014. Subsequently, MariJ Ag's operating expenses were funded by sale of MariJ Ag's common stock. During the year ended December 31, 2015, total payments to stockholder, officers and managing members amounted to \$284,999.

JR Cannabis Industry, LLC ("JR") provided administrative and management services for all MariJ Ag. In return for these services, MariJ Ag paid JR a management fee of \$20,000 per month plus JR's ordinary and reasonable business expenses. During the year ended December 31, 2015, total management fees were \$399,009. This amount was eliminated in the consolidated statement of operations.

## NOTE 6 - INVENTORIES

The Company's inventories consisted of the followings at December 31, 2016 and 2015:

	2016	2015
Raw materials	\$52,363	\$ -
Finished goods (isolates, tinctures and capsules)	10,722	-
	\$63,085	\$ -

## NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method at rates intended to depreciate the costs of assets over their estimated useful lives. Upon retirement or sale of property and equipment, the cost of the disposed assets and related accumulated depreciation is removed from the accounts and any resulting gain or loss is credited or charged to selling, general and administrative expenses. Expenditures for normal repairs and maintenance are charged to expense as incurred.

Additions and expenditures for improving or rebuilding existing assets that extend the useful life are capitalized. Leasehold improvements made either at the inception of the lease or during the lease term are amortized over the shorter of their economic lives or the lease term including any renewals that are reasonably assured.

Property and equipment consisted of the followings at December 31, 2016 and 2015:

2016	2015
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Computer equipment	\$26,672	\$6,241
Website domain	5,000	5,000
Extraction and lab equipment	558,061	527,837
Total property and equipment	589,733	539,078
Less accumulated depreciation	(108,886)	(25,325 )
Net property and equipment	\$480,847	\$513,753

Depreciation expense for the years ended December 31, 2016 and 2015 totaled \$76,860 and \$24,444, respectively.  
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## NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the followings at December 31, 2016 and 2015:

	2016	2015
Accounts payable to vendors	\$69,938	\$12,315
Payroll taxes payable	11,092	-
Accrued bonuses to current CEO	59,500	-
Accrued severance compensation to former CEO	250,000	-
	\$390,530	\$12,315

## NOTE 9 - STOCKHOLDERS' EQUITY

Common Stock

The Company has been authorized to issue 150,000,000 shares of common stock, \$.001 par value. Each share of issued and outstanding common stock shall entitle the holder thereof to fully participate in all shareholder meetings, to cast one vote on each matter with respect to which shareholders have the right to vote, and to share ratably in all dividends and other distributions declared and paid with respect to common stock, as well as in the net assets of the corporation upon liquidation or dissolution.

During the year ended December 31, 2016 the Company issued 3,976,410 new restricted shares of its common stock as follows:

- (i.) 6,466 shares were issued to a consultant to provide institutional funding services valued at \$14,955. No additional service was performed after this issuance;
- (ii.) 15,846 shares were issued for advisory services performed in December 2016, valued at \$30,000. The agreement provides for issuance of additional shares, priced at the 3-day closing average of the Company's common stock, each month thereafter, for services performed through May 5, 2017;
- (iii.) 2,474,850 shares were issued to the MariJ shareholders in the acquisition transaction of January 15, 2016;
- (iv.) 130,000 shares were issued to directors as subscriptions for new purchased shares for \$65,000 at \$0.50 per share;
- (v.) 15,000 shares were issued from exercise of common stock purchase options at \$0.01 per share; and
- (vi.) 1,200,000 shares were issued to a related party to settle \$600,000 of working capital advances at \$0.50 per share;
- (vii.) 132,248 shares were issued to the former CEO valued at \$238,000 as severance compensation; and
- (viii.) 2,000 shares were issued for services performed by an independent consultant valued at \$3,620.

During the year ended December 31, 2015, the Company issued 146,950 shares of its common stock as follows:



- (i) 127,200 shares were issued for cash proceeds of \$780,600; and
- (ii) 19,750 shares were issued for services valued at \$197,500.

Warrants and Options

At its meeting of directors on February 1, 2007, the Company's board of directors approved the Acacia Automotive, Inc. 2007 Stock Incentive Plan<sup>1</sup> (the "Plan"), which was approved by our stockholders on November 2, 2007, reserving 1,000,000 shares to be issued there under in the form of common stock or common stock purchase options. On July 26, 2012, our shareholders voted to update and extend the Acacia Automotive, Inc. 2007 Stock Incentive Plan, renaming it the Acacia Diversified Holdings, Inc. 2012 Stock Incentive Plan. Warrants, which may be included as equity compensation of used in other manners, are not a component of the Plan. On June 29, 2015 shareholders holding a majority of the shares of the Company voted to discontinue the Company's stock incentive plans. At December 31, 2016, 75,000 options still remained outstanding.

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The Company did not issue any common stock purchase warrants or options during the years ended December 31, 2016 and 2015. The following tables represent stock options and warrants activities for the years ended December 31, 2016 and 2015.

## Stock Options

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Yrs)	Aggregate Intrinsic Value
Outstanding at December 31, 2014	90,000	\$ 0.34	4.10	\$ 3,150
Granted	-			
Exercised	-			
Forfeited or cancelled	-			
Outstanding at December 31, 2015	90,000	\$ 0.34	3.10	\$ 10,350
Granted	-			
Exercised	(15,000)	\$ 0.01		
Forfeited or cancelled	-			
Outstanding at December 31, 2016	75,000	\$ 0.41	2.71	\$ 82,000
Exercisable at December 31, 2016*	75,000	\$ 0.41	2.71	\$ 82,000

\* Of the 75,000 options still active as of December 31, 2016: (i) 10,000 expire at 11-2-2017; (ii) 15,000 expire at 12-31-2018; (iii) 30,000 expire at 11-6-2019; and, (iv) 20,000 expire at 12-23-2020.

## Stock Warrants

At December 31, 2016 and 2015, there were 0 and 1,000,000, respective, outstanding and exercisable stock purchase warrants with a weighted average exercise price of \$0 and \$3.00, respectively. The following summarizes the warrant activities during the years ended December 31, 2016 and 2015:

	2016		2015	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of the year	1,000,000	\$ 3.00	1,326,250	\$ 2.64
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited or cancelled	-	-	-	-
Expired	1,000,000	\$ 3.00	326,500	\$ 1.31
Outstanding at end of year	-	\$ -	1,000,000	\$ 3.00
Exercisable at end of year	-	\$ -	1,000,000	\$ 3.00



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## NOTE 10 - INCOME TAXES

As of December 31, 2016 and 2015 the Company had net operating loss carryforwards of approximately \$10,974,000 and \$12,242,000 respectively, which will expire beginning at the end of 2019. A valuation allowance has been provided for the deferred tax asset as it is uncertain whether the Company will have future taxable income. A reconciliation of the benefit (expense) for income taxes with amounts determined by applying the statutory federal income rate of (34%) to the loss before income taxes is as follows:

	2016	2015
Net (Loss)	\$(1,785,114)	\$(611,819)
Benefit (expense) for income taxes computed using the statutory rate of 34%	606,939	208,018
Non-deductible expense	(99,086 )	(51,146 )
Change in valuation allowance	(507,853 )	(156,872)
Provision for income taxes	\$-	\$-

Significant components of the Company's deferred tax liabilities and assets at December 31, 2016 and 2015 are as follows:

	2016	2015
Total deferred tax assets – net operating losses	\$3,731,181	\$4,162,408
Deferred tax liabilities		
Depreciation	(789 )	(789 )
Net deferred tax assets	3,730,392	4,161,619
Valuation allowance	(3,730,392)	(4,161,619)
	\$-	\$-

As of December 31, 2016 open Federal income tax years subject to examination include the tax years ended December 31, 2015 through 2013. At December 31, 2016, net operating loss (“NOL”) carryforwards expiring through 2036 were as follows:

Expiring December 31,	Amount of NOL
2019	\$6,166,000
2026	408,000
2027	693,000
2028	771,000
2029	197,000
2030	32,000
2031	415,000
2033	692,000
2034	106,000
2036	1,494,000
	\$10,974,000

The net change in the valuation allowance is a decline of \$431,227 which resulted from a current year addition of net operating loss carryforwards asset of \$507,853, offset by the expiration of \$2,762,000 of net operating loss carryforward which reduced the net operating loss carryforwards asset by \$939,080.

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NOTE 11 – LEASES AND COMMITMENTS

The Company rents administrative space in Clearwater, Florida at \$877 per month on a month to month basis, and rents retail space in Pueblo, Colorado at \$2,000 per month on a month to month basis. The Company also rented a small apartment at \$750 per month until December 31, 2016.

On May 1, 2016, the Company entered into an employment agreement with its CEO. The term of the employment is through December 31, 2019 and at a starting salary of \$170,000 and annual bonus at 35% of the salary. Any salary and bonus increases must be reviewed and approved by the Company's board of directors. The agreement provides for a monthly reimbursement of \$1,000 for the rental of a second office owned by the CEO and a monthly automobile allowance of \$1,000. During the year ended December 31, 2016, expenses related to the office rental and automobile allowance totaled \$16,000 of which \$4,000 remained owed to the CEO at December 31, 2016. As such, the Company is committed to an annual expenditures of \$24,000 for each of the years ended December 31, 2017, 2018 and 2019.

Rent expense for the above leases and commitments for the years ended December 31, 2016 and 2015 were approximately \$35,300 and \$22,000, respectively.

NOTE 12 - RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will replace numerous requirements in U.S. GAAP, including industry specific requirements, and provide companies with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. In July 2015, the FASB approved the deferral of the new standard's effective date by one year. The new standard is effective for annual reporting periods beginning after December 15, 2017. The FASB will permit companies to adopt the new standard early, but not before the original effective date of annual reporting periods beginning after December 15, 2016, but the Company is not planning to early adopt the new standard.

Subsequent to the issuance of this new standard, the FASB also issued ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing in April 2016 and ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow Scope Improvements and Practical Expedients in May 2016. The effective dates and transition requirements for these amendments in these updates are the same as those for Topic 606.

In July 2015, the FASB issued ASU No. 2015-11, Simplifying the Measurement of Inventory (Topic 330), which simplifies its current requirement that an entity measure inventory at lower of cost or market, when market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. Inventory within the scope of ASU 2015-11 should be measured at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. ASU 2015-11 is effective for financial statements issued for fiscal years beginning after

December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The Company is evaluating the effect that ASU 2015-11 will have on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases, which aims to make leasing activities more transparent and comparable and requires substantially all leases be recognized by lessees on their balance sheet as a right-of-use asset and corresponding lease liability, including leases currently accounted for as operating leases. This ASU is effective for all interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact that the adoption of ASU 2016-02 will have on its consolidated financial statements and related disclosures.

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NOTE 13 - SUBSEQUENT EVENTS

The Company evaluated subsequent events through March 28, 2017, the date the financial statements were issued, and determined that there were no other material events to disclose, other than those that have already been disclosed.

On January 17, 2017, the former CEO of the Company resigned as an employee and director of the Company and terminated his employment agreement, effective December 31, 2016, in exchange of a settlement compensation of \$250,000. This amount has been included in accrued expenses on the Company's consolidated balance sheet as of December 31, 2016. In addition, the former CEO was also issued 132,248 shares of the Company's common stock as settlement compensation. The estimated fair value of \$238,000 for these shares has been included in general and administrative expenses on the Company's consolidated statement of operations for the year ended December 31, 2016. These events were reported in their entirety by the Company on its Current Report on Form 8-K on January 24, 2017.

To fund the settlement compensation and additional operating expenses, the board of directors approved a \$300,000 loan from the Company's current CEO. The loan bears interest at a rate of 8% per annum. Concurrently, the board of director also approved issuance of 100,000 shares of the Company's common stock for services performed.

On January 17, 2017, Richard Pertile, current CEO of the Company, acquired 2,500,000 restricted shares of the Company's common stock from its former CEO under the terms of the Right of First Refusal to acquire those share in accordance with the Asset Purchase Agreement of January 15, 2016, by and between the Company and the MariJ Group of companies. In further actions, Mr. Pertile has an option to purchase an additional 1,000,000 shares of the former CEO's shares in March of 2017. In addition, in January 2017, the board of directors also awarded 100,000 restricted shares to our CEO for services performed. In addition, the board of directors also approved for issuance at par value of \$0.001 per share, 132,248 shares of the Company's common stock to the former CEO pursuant to an anti-dilution agreement that was entered into as part of the Asset Purchase Agreement on January 15, 2016.

In February 2017, the Company entered into a consulting agreement with Almorli Advisors, Inc. ("Almorli"). Pursuant to the agreement, Almorli will perform consulting and due diligence services related to capital raised for the Company. The agreement is for a term of twelve months and does not specify the total amount to be raised. Almorli will receive cash compensation of 7% of the proceeds raised.

In February 2017, the board of directors approved the issuance of 8,823 shares of the Company's common stock to a consultant for services performed in February 2017 and 8,823 shares of the Company's common stock to this consultant for services to be performed in March 2017 at the 3-day closing average of the Company's common stock of \$1.70 per share. These shares were issued in March 2017.

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