

TRI-CONTINENTAL CORP
Form SC 13D/A
March 19, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549 SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 3) Tri-Continental Corporation

(Name of Issuer) Common Stock

(Title of Class of Securities) 895436103

(CUSIP Number) George W. Karpus, President
Karpus Management, Inc.,
d/b/a Karpus Investment Management
183 Sully's Trail
Pittsford, New York 14534
(585) 586-4680

**(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)** March 18, 2008

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(Date of Event which Requires Filing of this Statement) If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D#47A, and is filing this schedule because of #167#167 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. #127

CUSIP No.#58 895436103

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only). Karpus Management, Inc., d/b/a Karpus Investment Management I.D. #16-1290558

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a) #127
(b) #32#32X
-

3. SEC Use Only

4. Source of Funds (See Instructions) AF

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) N/A

6. Citizenship or Place of Organization New York

Number of Shares Beneficially Owned by Each reporting Person With:

7. Sole Voting Power 2,672,094 **8. Shared Voting Power** N/A **9. Sole Dispositive Power** 2,672,094 **10. Shared Dispositive Power** N/A

11. Aggregate Amount Beneficially Owned by Each Reporting Person 2,672,094

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) N/A

13. Percent of Class Represented by Amount in Row (11) 2.59%

14. Type of Reporting Person (See Instructions) IA

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The following constitutes Amendment No. 3 ("Amendment No. 3") to the Schedule 13D filed by the undersigned. This Amendment amends the original Schedule 13D as specifically set forth.

Item 3 is hereby amended as follows: **Item 3. Source and Amount of Funds or Other Considerations.** KIM, an independent investment advisor, has accumulated 2,672,094 shares of TY on behalf of accounts that are managed by KIM (the Accounts) under limited powers of attorney, which represent 2.59% of the outstanding shares. All funds that have been utilized in making such purchases are from such Accounts. **Item 5. Interest in Securities of the Issuer.** (a) As of the date of this Report, KIM owns 2,672,094 shares, which represents 2.59% of the outstanding Shares. George Karpus presently owns 40,410 shares. Mr. Karpus bought shares on January 13, 2004, January 27, 2004, January 28, 2004, May 17, 2004, May 19, 2004, May 20, 2004, July 29, 2004, August 10, 2004, August 11, 2004, August 30, 2004, August 8, 2005, August 9, 2005, November 4, 2004, October 18, 2005, November 9, 2005, November 28, 2005, December 16, 2005, December 23, 2005, December 30, 2005, January 30, 2006, January 31, 2006, February 7, 2006, February 8, 2006, February 9, 2006, February 24, 2006, May 22, 2006, May 23, 2006 and August 1, 2006, August 22, 2006 at \$20.26 (3500 shares), September 21, 2006 at \$20.77 (215 shares), April 9, 2007 at \$24.29 (2153 shares), April 10, 2007 at \$24.15 (32 shares), August 15, 2007 at \$22.77 (40 shares) and on August 16, 2007 at \$21.77 (975 shares). Mr. Karpus sold shares on March 15, 16 and 17, 2005, September 28, 2006 at \$21.01 (1400 shares), September 29, 2006 at \$20.99 (2200 shares), October 11, 2006 at \$21.2 (150 shares), October 12, 2006 at \$21.28 (150 shares), August 22, 2007 at \$23.78 (300 shares), August 23, 2007 at \$23.84 (300 shares), August 24, 2007 at \$23.92 (350 shares), August 28, 2007 at \$23.66 (200 shares), September 4, 2007 at \$24.22 (300 shares), September 6, 2007 at \$24.18 (100 shares), November 9, 2007 at \$22.75 (250 shares), November 12, 2007 at \$22.62 (300 shares), November 13, 2007 at \$22.47 (1525 shares), January 9, 2008 at \$19.35 (1000 shares), January 10, 2008 at \$19.43 (8000 shares) and on January 11, 2008 at \$19.49 (200 shares). Sophie Karpus presently owns 650 shares. Ms. Karpus bought shares on January 27, 2006, February 9, 2006 and on April 9, 2007 at \$24.21 (25 shares). Ms. Karpus sold shares on November 13, 2007 at \$22.51 (25 shares). Jo Ann Van Degrieff presently owns 4,870 shares. Ms. Van Degrieff shares on February 23, 1998, February 11, 2000, August 15, 2003, August 18, 2004, August 20, 2003, August 21, 2003, October 7, 2003, October 8, 2003, October 9, 2003, July 8, 2004, January 18, 2006, February 6, 2006, February 9, 2006, February 13, 2006, February 21, 2006, February 22, 2006, March 20, 2006, July 20, 2006, July 21, 2006, August 9, 2006, January 29, 2007 at \$22.47 (1200 shares), April 9, 2007 at \$24.28 (197 shares), April 10, 2007 at \$23.85 (3 shares), May 17, 2007 at \$25.83 (130 shares), May 18, 2007 at \$25.92 (59 shares), May 21, 2007 at \$26.03 (511 shares), August 15, 2007 at \$22.79 (140 shares) and on August 16, 2007 at \$21.77 (225 shares). Ms. Van Degrieff sold shares on April 9, 1999, February 22, 2001, March 2, 2001, March 14, 2001, March 21, 2001, March 22, 2001, March 26, 2001, March 30, 2001, April 4, 2001, April 11, 2001, April 17, 2001, April 27, 2001, March 22, 2005, September 28, 2006 at \$21.01 (200 shares), September 29, 2006 at \$21 (200 shares), October 3, 2006 at \$20.86 (100 shares), October 4, 2006 at \$21 (150 shares), October 6, 2006 at \$21.04 (200 shares), October 9, 2006 at \$21.11 (150 shares), October 11, 2006 at \$21.2 (150 shares), October 12, 2006 at \$21.28 (150 shares), August 22, 2007 at \$23.79 (100 shares), August 23, 2007 at \$23.86 (50 shares), August 24, 2007 at \$23.93 (50 shares), September 4, 2007 at \$24.25 (50 shares), November 9, 2007 at \$22.79 (25 shares), November 12, 2007 at \$22.64 (50 shares), November 13, 2007 at \$22.48 (150 shares), November 29, 2007 at \$22.22 (320 shares), January 2, 2008 at \$20.77 (10 shares), January 3, 2008 at \$20.52 (70 shares), and on January 4, 2008 at \$20.24 (50 shares). Dana R. Consler presently owns 1,835 shares. Mr. Consler bought shares on November 26, 1997, December 15, 1997, January 5, 1998, March 10, 2000, February, 14, 2002, February 28, 2002, March 12, 2002, August 15, 2003, August 18, 2003, August 20, 2003, August 21, 2003, August 25, 2003, September 5, 2003, September 8, 2003, December 2, 2003, April 23, 2004, May 19, 2004, July 7, 2004, August 25, 2004, September 28, 2004, October 27, 2004, November 29, 2004, October 18, 2005, October 19, 2005, February 6, 2006, April 9, 2007 at \$24.26 (79 shares), April 10, 2007 at \$23.19 (1 share), August 15, 2007 at \$22.77 (40 shares) and on August 16, 2007 at \$21.75 (50 shares). Mr. Consler sold shares on April 9, 1999, April 12, 1999, April 13, 1999, February 22, 2001, March 2, 2001, March 14, 2001, March 21, 2001, March 22, 2001, March 23, 2001, March 26, 2001, March 30, 2001, April 4, 2001, April 5, 2001, April 11, 2001, April 17, 2001, April 27, 2001, March 16, 2005, March 17, 2005, September 29, 2006 at \$21.01 (200 shares), October 9, 2006 at \$21.13 (150 shares), October 11, 2006 at \$21.2 (150 shares), October 12, 2006 at \$21.3 (150 shares), November 13, 2007 at \$22.5 (75 shares), November 28, 2007 at \$22.02 (100 shares), December 5, 2007 at \$22.53 (25 shares) and on January 22, 2008 at \$18.2 (45 shares). Kathy Crane presently owns 410 shares. Ms. Crane bought shares on July 5, 2005, July 6, 2005, June 28, 2006, November 29, 2006 at \$21.85 (15 shares), October 4, 2007 at \$24.42 (220 shares) and on October 5, 2007 at \$24.59 (160 shares). Ms. Crane sold shares on May 1, 2006, January 25, 2008 at \$18.71 (5 shares) and on January 28, 2008 at \$18.8 (10 shares). Karpus Investment Management Profit Sharing Plan presently owns 15,535 shares. The Profit Sharing Plan bought shares on April 15, 1997, January 30, 1998, February 10, 1998, February 23, 1998, March 16, 1998, January 6, 1999, July 16, 1999, October 20, 1999, October 22, 1999, October 25, 1999, October 28, 1999, March 13, 2000, January 29, 2002, February 12, 2002, February 14, 2002, February 15, 2002, February 19, 2002, February 26, 2002, February 28, 2002, March 11, 2002, March 12, 2002, March 27, 2002, July 18, 2002, November 20, 2002, March 19, 2003, March 20, 2003, August 21, 2003, August 25, 2003, August 26, 2003, August 27, 2003, August 28, 2003, August 29, 2003, September 2, 2003, September 4, 2003, September 5, 2003, September 8, 2003, September 18, 2003, September 19, 2003, November 20, 2003, November 24, 2003, November 25, 2003, April 22, 2004, April 23, 2004, June 21, 2004, July 26, 2004, August 12, 2004, October 29, 2004, March 1, 2005, September 6, 2005, October 10, 2005, October 11, 2005, January 13, 2006, January 17, 2006, January 26, 2006, February 1, 2006, February 6, 2006, February 9, 2006, February 13, 2006, February 17, 2006, February 21, 2006, February 22, 2006, March 3, 2006, March 20, 2006, May 11, 2006, July 20, 2006, July 21, 2006, August 9, 2006, August 22, 2006 at \$20.26 (1650 shares), April 9, 2007 at \$24.29 (872 shares), April 10, 2007 at \$24.11 (13 shares), June 8, 2007 at \$25.64 (420 shares), August 17, 2007 at \$22.25 (290 shares) and on January 25, 2008 at \$18.84 (10 shares). The Plan sold shares on July 18, 1997, April 9, 1999, April 12, 1999, April 13, 1999, April 19, 1999, April 30, 1999, Mary 24, 1999, February 5, 2001, February 6, 2001, February 22, 2001, March 2, 2001, March 12, 2001, March 14, 2001, March 21, 2001, March 22, 2001, March 23, 2001, March 26, 2001, March 27, 2001, March 28, 2001, March 30, 2001, April 4, 2001, April 5, 2001, April 10, 2001, April 11, 2001, April 17, 2001, April 27, 2001, March, 12, 2004, September 28, 2006 at \$21.01 (800 shares), September 29, 2006 at \$21 (1200 shares), October 2, 2006 at \$20.95 (200 shares), October 3, 2006 at \$20.86 (400 shares), October 4, 2006 at \$21 (450 shares), October 5, 2006 at \$21.09 (300 shares), October 6, 2006 at \$21.04 (600 shares), October 9, 2006 at \$21.11 (600 shares), October 10, 2006 at \$21.13 (300 shares), October 11, 2006 at \$21.19 (750 shares), October 12, 2006 at \$21.28 (600 shares), October 13, 2006 at \$21.35 (150 shares), October 18, 2006 at \$21.54 (100 shares), August 22, 2007 at \$23.78 (200 shares), August 23, 2007 at \$23.85 (100 shares), August 24, 2007 at \$23.92 (150 shares), August 28, 2007 at \$23.66 (100 shares), September 4, 2007 at \$24.22 (100 shares), September 6, 2007 at \$24.19 (50 shares), November 27, 2007 at \$21.48 (2620 shares), November 28, 2007 at \$22.02 (150 shares), November 29, 2007 at \$22.24 (50 shares), December 3, 2007 at \$22.52 (25 shares), December 5, 2007 at \$22.53 (25 shares), December 6, 2007 at \$21.94 (25 shares), January 22, 2008 at \$18.18 (100 shares) and on January 28, 2008 at \$18.7 (2100 shares). Karpus Investment Management Defined Benefit Plan presently owns 1,410 shares. The Defined Benefit Plan bought shares on August 29, 2003, March 24, 2004, June 24, 2004, August 17, 2004, September 2, 2004, September 3, 2004, October 15, 2004, October 19, 2004, October 28, 2004, October 19, 2005, October 20, 2005, May 26, 2006, May 30, 2006, August 1, 2006, August 28, 2006 at \$20.32 (390 shares), April 9, 2007 at \$24.25 (59 shares) and on April 10, 2007 at \$23.19 (1 share). The Defined Benefit Plan sold shares on March 15, 2005, October 11, 2006 at \$21.21 (150 shares) and on November 13, 2007 at \$22.49 (50 shares). Apogee Partners, L.P. is a hedge fund managed by Karpus Investment Management, of which George W. Karpus owns 1.52%, Dana R. Consler owns 0.70% and Cody B. Bartlett Jr. owns 0.50%. Apogee Partners, L.P. currently owns 97,200 shares of TY. Canalview Partners, L.P. is also a hedge fund managed by Karpus Investment Management, of which Karpus Investment Management Profit Sharing Plan owns 4.64% and Kathy Crane owns 0.07%. Canalview Partners, L.P. currently owns 143,800 shares of TY. Lastly, Garnsey Partners, L.P. is also a hedge fund managed by Karpus Investment Management of which George W. Karpus owns 6.62% and Kathy Crane owns 0.08%. Garnsey Partners, L.P. currently owns 68,800 shares of TY. None of the other Principals of KIM presently owns shares of TY. (b) KIM has the sole power to dispose of and to vote all of such Shares

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under limited powers of attorney. (c) Open market purchases for the last 60 days for the Accounts. There have been no dispositions and no acquisitions, other than by such open market purchases:

| <u>Date</u> | <u>Shares</u> | <u>Price Per Share</u> |
|-------------|---------------|------------------------|
| 1/14/2008 | 1,700 | \$19.60 |
| 1/15/2008 | 4,400 | \$19.31 |
| 1/15/2008 | (250) | \$19.19 |
| 1/16/2008 | 3,850 | \$19.15 |
| 1/17/2008 | 2,010 | \$18.98 |
| 1/17/2008 | (1,395) | \$18.63 |
| 1/18/2008 | 500 | \$18.47 |
| 1/18/2008 | (505) | \$18.55 |
| 1/22/2008 | 1,000 | \$18.17 |
| 1/22/2008 | (18,790) | \$18.19 |
| 1/23/2008 | (12,680) | \$17.95 |
| 1/24/2008 | (60) | \$18.79 |
| 1/25/2008 | 1,545 | \$18.94 |
| 1/25/2008 | (295) | \$18.53 |
| 1/28/2008 | 90 | \$18.83 |
| 1/28/2008 | (3,935) | \$18.70 |
| 1/29/2008 | (4,130) | \$18.97 |
| 1/30/2008 | 150 | \$19.11 |
| 1/30/2008 | (335) | \$19.09 |
| 1/31/2008 | (1,040) | \$19.49 |
| 2/4/2008 | 1,000 | \$19.76 |
| 2/4/2008 | (950) | \$19.70 |
| 2/7/2008 | (3,450) | \$19.00 |
| 2/8/2008 | (500) | \$18.88 |
| 2/12/2008 | (570) | \$19.26 |
| 2/13/2008 | (1,650) | \$19.33 |
| 2/15/2008 | (10) | \$19.01 |
| 2/19/2008 | (1,080) | \$19.15 |
| 2/20/2008 | (370) | \$18.86 |
| 2/22/2008 | (255) | \$18.99 |
| 2/26/2008 | (335) | \$19.46 |
| 2/27/2008 | 1,685 | \$19.51 |
| 2/27/2008 | (1,060) | \$19.50 |
| 2/29/2008 | (7,570) | \$18.88 |
| 3/3/2008 | 1,230 | \$18.72 |
| 3/3/2008 | (2,140) | \$18.80 |
| 3/4/2008 | (1,910) | \$18.55 |
| 3/5/2008 | (1,100) | \$18.75 |
| 3/6/2008 | (45) | \$18.46 |
| 3/11/2008 | (215) | \$18.24 |
| 3/12/2008 | (30) | \$18.21 |
| 3/13/2008 | (1,695) | \$17.99 |

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The Accounts have the right to receive all dividends from, and any proceeds from the sale of the Shares. None of the Accounts has an interest in Shares constituting more than 5% of the Shares outstanding. **Item 6. Contracts, Arrangements, Understandings, or Relationships with Respect to Securities of the Issuer.** Except as described above, there are no contracts, arrangements, understandings or relationships of any kind among the Principals and KIM and between any of them and any other person with respect to any of the TY securities. **Item 7. Materials to be Filed as Exhibits.** A letter was sent by Karpus to the Board of Directors of TY expressing concerns that it currently has with the Fund. A copy of the letter is attached hereto as Exhibit 1.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

Karpus Management, Inc.

By: /s/

Name: Sharon L. Thornton

Title: Director of Investment Personnel and Senior Analyst

Date: March 19, 2008

EXHIBIT 1**Letter to the Fund
Transmitted March 18, 2008****VIA FACSIMILE & OVERNIGHT MAIL**

William C. Morris, Chairman
J. & W. Seligman & Co. Incorporated
Tri-Continental Corporation
100 Park Avenue, 8th Floor
New York, New York 10017

March 18, 2008

Mr. Morris and Board Members:

I am writing on behalf of Karpus Investment Management (KIM), a registered investment adviser and shareholder of Tri-Continental Corporation (TY, the Fund) since March 6, 1997. As of March 14, 2008, we own 2,672,094 shares of TY, which represents 2.59 percent of the Fund. First, I would like to commend the Board's actions aimed at narrowing the Fund's discount to net asset value (NAV). Last year, the Board of Directors implemented an 11 percent annual level distribution policy and recommenced a stock repurchase program. We support both of these policies as effective means of narrowing a fund's discount to NAV, and we are pleased that the Board has shown a willingness to address TY's persistently wide discount. However, we have become increasingly concerned over the drastic NAV underperformance and portfolio deviation from the Fund's stated investment strategy. Regarding performance, the Fund's NAV performance for the fourth quarter of 2007 was -9.60% while the S&P 500 was -3.33%. During this time, the fund declined by nearly three times the amount of its benchmark index. A large portion of this underperformance can be attributed to the Fund's positions in small or mid-capitalization stocks, as four of the Fund's top ten holdings as of December 31, 2007 were small or mid-cap companies. These companies, weighting rank as of December 31, 2007 and fourth quarter performance are listed below:

| <u>Weighting</u> | <u>Company</u> | <u>Performance</u> |
|------------------|------------------------------------|--------------------|
| 3 | Comverse Technology Inc | -12.88% |
| 4 | Smurfit-Stone Container Corp | -9.59% |
| 5 | Gemstar-TV Guide International Inc | -31.61% |
| 10 | NII Holdings Inc | -41.18% |

In the 2007 annual report, the portfolio manager identified the largest performance detractors during the past year as OfficeMax, Rite Aid, NII Holdings and Gemstar-TV Guide International, and all of these companies would be classified as either small or mid-capitalization. Furthermore, NII Holdings was listed as one of the largest purchases of the Fund between October 1, 2007 and December 31, 2007. Between December 31, 2007 and March 17, 2008, this stock has returned -35.37% and is another example of a very poor performing mid-cap selection. While the Fund's prospectus permits investment in a wide array of securities, it has historically marketed and positioned itself as a diversified large-capitalization stock fund. In fact, the Fund's proxy statement filed on May 10, 2007, in which the Board recommended the above referenced level distribution policy, the Fund's investment strategy was explicitly defined: "[s]eeks to achieve its objective by investing in a diversified portfolio of large-capitalization stocks and fixed-income securities." Moreover, when the Fund states its performance within quarterly reports, it does so with comparison benchmarks of the Lipper Closed-End Core Funds Average, Lipper Large-Cap Core Funds Average and S&P 500 Index. Clearly, this inaccurately leads investors to believe that the Fund is investing in comparable large-cap stocks, which tend to have more stable prices than stocks of lower market capitalization companies. We applaud the implementation of the level distribution policy and stock repurchase program, but we believe that the benefit of these policies has been diminished by the Fund's investment in poor performing smaller capitalization stocks. Poor NAV performance will act to decrease demand for the Fund's shares, and thus result in a greater discount to NAV and loss of value for current shareholders. As long-term shareholders of TY, we urge the Fund not to diverge as greatly as they have from their stated investment strategy. If the Fund continues to mislead shareholders and produce sub-par performance results, we believe the Board must provide disenchanted shareholders with a means to exit the Fund at or near NAV. I appreciate the Board's time and consideration and would welcome any communication to further discuss our concerns. Please feel free to contact me at 585-586-4680 (ext. 257) or william@karpus.com. Sincerely, /s/ William G. Dustman III
Portfolio Manager/Analyst
Karpus Investment Management cc: Frank Nasta, Fund Secretary