

Partnership and the sole owner of such Subsidiary's general partner. Applicants also state that since MCG, directly or indirectly through another Subsidiary, owns or would own the entire equity interest in any current and future Subsidiaries, any activity carried on by them will, in all material respects, have the same economic effect on MCG's stockholders as if carried on directly by MCG.

B. Relief for the Company To Adhere to a Modified Asset Coverage Requirement

1. Applicants request an exemption pursuant to section 6(c) of the Act from the provisions of sections 18(a) and 61(a) of the Act to permit MCG to adhere to a modified asset coverage requirement.

2. Section 18(a) of the Act prohibits a registered closed-end investment company from issuing any class of senior security or selling any such security of which it is the issuer unless the company complies with the asset coverage requirements set forth in that section. Section 61(a) of the Act makes section 18 applicable to BDCs, with certain modifications. Section 18(k) exempts an investment company operating as an SBIC from the asset coverage requirements for senior securities representing indebtedness that are contained in section 18(a)(1)(A) and (B).

3. Applicants state that a question exists as to whether MCG must comply with the asset coverage requirements of section 18(a) (as modified by section 61(a)) solely on an individual basis or whether MCG must also comply with the asset coverage requirements on a consolidated basis because MCG may be deemed to be an indirect issuer of any class of senior security issued by the SBIC Subsidiary. Applicants state that they wish to treat the SBIC Subsidiary as if it were a BDC subject to sections 18 and 61 of the Act. Applicants state that companies operating under the SBIA, such as the SBIC Subsidiary, will be subject to the SBA's substantial regulation of permissible leverage in its capital structure.

4. Section 6(c) of the Act, in relevant part, permits the Commission to exempt any transaction or class of transactions from any provision of the Act if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants state that the requested relief satisfies the section 6(c) standard. Applicants contend that, since the SBIC Subsidiary would be entitled to rely on section

18(k) if it was a BDC itself, there is no policy reason to deny the benefit of that exemption to MCG.

Applicants' Conditions

Applicants agree that the order granting the requested relief will be subject to the following conditions:

Relief From Section 55(a)

1. Each Subsidiary will be formed as a limited liability company ("LLC"), a corporation ("Corporation") or a partnership ("Partnership"). MCG and/or one or more other Subsidiaries at all times will be the only members of each Subsidiary that is an LLC and will collectively hold all of the ownership interests in the LLC Subsidiary. No LLC Subsidiary will admit any person other than MCG or another Subsidiary as a member, and no LLC Subsidiary will issue interests other than to MCG or another Subsidiary. MCG and/or one or more other Subsidiaries at all times will own and hold all of the outstanding equity interests in each Subsidiary that is formed as a Corporation. MCG and/or one or more other Subsidiaries will at all times be the sole limited partner of any Subsidiary that is formed as a Partnership and the sole owner of such Subsidiary's general partner.

2. The Subsidiaries, and any future Subsidiaries, may not acquire any asset if the acquisition would cause MCG to violate section 55(a).

3. No person shall serve or act as investment adviser to a Subsidiary unless the Board and stockholders of MCG shall have taken the action with respect thereto also required to be taken by the board of directors of the Subsidiary and stockholders of the Subsidiary as if the Subsidiary were a BDC.

Relief From Section 18(a)

4. MCG will not issue or sell any senior security and MCG will not cause or permit the SBIC Subsidiary to issue or sell any senior security of which MCG or the SBIC Subsidiary is the issuer except to the extent permitted by section 18 (as modified for BDCs by section 61); provided that immediately after issuance or sale by any of MCG or the SBIC Subsidiary of any such senior security, MCG individually and on a consolidated basis, shall have the asset coverage required by section 18(a) (as modified by section 61(a)), except that, in determining whether MCG on a consolidated basis has the asset coverage required by section 18(a) (as modified by section 61(a)), any senior securities representing indebtedness of the SBIC Subsidiary shall not be considered senior securities and, for

purposes of the definition of "asset coverage" in section 18(h), will be treated as indebtedness not represented by senior securities.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Florence E. Harmon,

Acting Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Wednesday, October 1, 2008, at 2 p.m.

Commissioners, Counsels to the Commissioners, the Secretary to the Commission, and certain staff members who have an interest in the matter will attend the Closed Meeting.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions as set forth in 5 U.S.C. 552b(c)(8) and (9) and 17 CFR 200.402(a)(8) and (9), permit consideration of the scheduled matter at the Closed Meeting.

Commissioner Aguilar, as duty officer, voted to consider the item listed for the closed meeting in closed session, and determined that no earlier notice thereof was possible.

The subject matter of the Closed Meeting scheduled for Wednesday, October 1, 2008, will be: Matters Related to the Financial Markets.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 551-5400.

Dated: October 1, 2008.

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [73 FR 55571, September 25, 2008].