

Act. Section 61(a)(3)(B) of the Act provides, in pertinent part, that a BDC may issue to its non-employee directors options to purchase its voting securities pursuant to an executive compensation plan, provided that: (i) The options expire by their terms within ten years; (ii) the exercise price of the options is not less than the current market value of the underlying securities at the date of the issuance of the options, or if no market exists, the current net asset value of the voting securities; (iii) the proposal to issue the options is authorized by the BDC's shareholders, and is approved by order of the Commission upon application; (iv) the options are not transferable except for disposition by gift, will or intestacy; (v) no investment adviser of the BDC receives any compensation described in section 205(1) of the Investment Advisers Act of 1940, except to the extent permitted by clause (A) or (B) of that section; and (vi) the BDC does not have a profit-sharing plan as described in section 57(n) of the Act.

2. In addition, section 61(a)(3) of the Act provides that the amount of the BDC's voting securities that would result from the exercise of all outstanding warrants, options, and rights at the time of issuance may not exceed 25% of the BDC's outstanding voting securities, except that if the amount of voting securities that would result from the exercise of all outstanding warrants, options, and rights issued to the BDC's directors, officers, and employees pursuant to an executive compensation plan would exceed 15% of the BDC's outstanding voting securities, then the total amount of voting securities that would result from the exercise of all outstanding warrants, options, and rights at the time of issuance will not exceed 20% of the outstanding voting securities of the BDC.

3. Applicant represents that the terms of the Plan meet all the requirements of section 61(a)(3)(B) of the Act. Applicant states in support of the application that the Non-employee Directors are actively involved in the oversight of applicant's affairs and that it relies on the judgment and experience of the Board. Applicant also states that the Non-employee Directors provide guidance and advice on operational issues, underwriting policies, credit policies, asset valuation, and strategic direction, as well as serving on committees. Applicant believes that the options to be granted to the Non-employee Directors provide significant incentives for the Non-employee Directors to remain on the Board and to devote their best efforts to the success of applicant's business.

Applicant also states that the options will provide a means for the Non-employee Directors to increase their ownership interests in applicant, thereby ensuring close identification of their interests with the interests of applicant's stockholders.

4. Applicant submits that the granting of options to the Non-employee Directors to purchase shares of applicant's common stock is fair and reasonable and does not involve overreaching of applicant or its stockholders. Applicant states that the number of voting securities that would result from the exercise of all options issued or issuable to officers, employees, and Non-employee Directors under the Plan, assuming approval of the Pool Increase Proposal, is 2,000,000 shares, or approximately 17.4% of applicant's outstanding common stock, which is below the percentage limitations in the Act. The total number of options issuable under the Plan that may be granted in any one year to Non-employee Directors represents about 0.4% of applicant's outstanding common stock. Applicant asserts that, given the small amount of common stock issuable upon exercise of the options, the exercise of options pursuant to the Plan would not have a substantial dilutive effect on the net asset value of applicant's stock.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** [68 FR 395, January 3, 2003]

**STATUS:** Closed Meeting.

**PLACE:** 450 Fifth Street, NW., Washington, DC.

**ANNOUNCEMENT OF CLOSED MEETING:** Additional Meeting.

The Securities and Exchange Commission held an additional Closed Meeting during the week of January 6, 2003.

An additional Closed Meeting was held on Monday, January 6, 2003 at 1:30 p.m.

Commissioner Glassman, as duty officer, determined that no earlier notice thereof was possible.

Commissioners, Counsel to the Commissioners, the Secretary to the

Commission, and recording secretaries attended the Closed Meeting. Certain staff members who have an interest in the matters were also present.

The subject matter of the Closed Meeting held on Monday, January 6, 2003 was:

Regulatory matter bearing enforcement implication.

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) 942-7070.

Dated: January 8, 2003.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 03-667 Filed 1-8-03; 3:59 pm]

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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 the following meetings during the week of January 13, 2003: A Closed Meeting will be held on Tuesday, January 14, 2003, at 10 a.m., and an Open Meeting will be held on Wednesday, January 15, 2003, at 10 a.m., in Room 1C30, the William O. Douglas Room.

Commissioner Glassman, as duty officer, determined that no earlier notice thereof was possible.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), (9)(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), (9)(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

The subject matter of the Closed Meeting scheduled for Tuesday, January 14, 2003 will be:

Institution and settlement of administrative proceedings of an enforcement nature;

Institution and settlement of injunctive actions; and