

16. In the event an Interfund Loan is not paid according to its terms and the default is not cured within two business days from its maturity or from the time the lending Fund makes a demand for payment under the provisions of the interfund lending agreement, the InterFund Program Team will promptly refer the loan for arbitration to an independent arbitrator selected by the Board of each Fund involved in the loan who will serve as arbitrator of disputes concerning Interfund Loans.<sup>3</sup> The arbitrator will resolve any dispute promptly, and the arbitrator's decision will be binding on both Funds. The arbitrator will submit, at least annually, a written report to the Board setting forth a description of the nature of any dispute and the actions taken by the Funds to resolve the dispute.

17. The InterFund Program Team will prepare and submit to the Board for review an initial report describing the operations of the InterFund Program and the procedures to be implemented to ensure that all Funds are treated fairly. After the commencement of the InterFund Program, the InterFund Program Team will report on the operations of the InterFund Program at the Board's quarterly meetings. Each Fund's chief compliance officer, as defined in rule 38a-1(a)(4) under the Act, shall prepare an annual report for the Board each year that the Fund participates in the InterFund Program, that evaluates the Fund's compliance with the terms and conditions of the application and the procedures established to achieve such compliance. Each Fund's chief compliance officer will also annually file a certification pursuant to Item 77Q3 of Form N-SAR as such Form may be revised, amended or superseded from time to time, for each year that the Fund participates in the InterFund Program, that certifies that the Fund and the Adviser have implemented procedures reasonably designed to achieve compliance with the terms and conditions of the order. In particular, such certification will address procedures designed to achieve the following objectives:

(a) That the Interfund Loan Rate will be higher than the Repo Rate but lower than the Bank Loan Rate;

(b) compliance with the collateral requirements as set forth in the application;

(c) compliance with the percentage limitations on interfund borrowing and lending;

(d) allocation of interfund borrowing and lending demand in an equitable manner and in accordance with procedures established by the Board; and

(e) that the Interfund Loan Rate does not exceed the interest rate on any third party borrowings of a borrowing Fund at the time of the Interfund Loan.

Additionally, each Fund's independent registered public accountants, in connection with their audit examination of the Fund, will review the operation of the InterFund Program for compliance with the conditions of the application and their review will form the basis, in part, of the auditor's report on internal accounting controls in Form N-SAR.

18. No Fund will participate in the InterFund Program, upon receipt of requisite regulatory approval, unless it has fully disclosed in its registration statement on Form N-1A (or any successor form adopted by the Commission) all material facts about its intended participation.

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

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-10917 Filed 5-9-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-389, OMB Control No. 3235-0444]

### Submission for OMB Review; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

#### *Extension:*

Rule 10b-10.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) ("PRA"), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the previously approved collection of information provided for in Rule 10b-10 (17 CFR 240.10b-10) under the Securities and Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 10b-10 requires broker-dealers to convey specified information to customers regarding their securities transactions. This information includes the date and time of the transaction, the

identity and number of shares bought or sold, and whether the broker-dealer acts as agent for the customer or as principal for its own account. Depending on whether the broker-dealer acts as agent or principal, Rule 10b-10 requires the disclosure of commissions, as well as mark-up and mark-down information. For transactions in debt securities, Rule 10b-10 requires the disclosure of redemption and yield information. Rule 10b-10 potentially applies to all of the approximately 4,183 firms registered with the Commission that effect transactions for or with customers.

Based on information provided by registered broker-dealers to the Commission in FOCUS Reports, the Commission staff estimates that on average, registered broker-dealers process approximately 1,383,492,184 order tickets per month for transactions for or with customers. Each order ticket representing a transaction effected for or with a customer results in one confirmation. Therefore, the Commission staff estimates that approximately 16,601,906,208 confirmations are sent to customers annually. The confirmations required by Rule 10b-10 are generally processed through automated systems. It takes approximately 30 seconds to generate and send a confirmation. Accordingly, the Commission staff estimates that broker-dealers spend approximately 138,349,218 hours per year complying with Rule 10b-10.

The amount of confirmations sent and the cost of sending each confirmation varies from firm to firm. Smaller firms generally send fewer confirmations than larger firms because they effect fewer transactions. The Commission staff estimates the costs of producing and sending a paper confirmation, including postage, to be approximately 57 cents. The Commission staff also estimates that the cost of producing and sending a wholly electronic confirmation is approximately 39 cents. Based on informal discussions with industry participants, as well as representations made in requests for exemptive and no-action letters relating to Rule 10b-10, the staff estimates that broker-dealers used electronic confirmations for approximately 35 percent of transactions. Based on these calculations, Commission staff estimates that 10,791,239, 035 paper confirmations are mailed each year at a cost of \$6,151,006,250. Commission staff also estimates that 5,810,667,173 wholly electronic confirmations are sent each year at a cost of \$2,266,160,197. Accordingly, Commission staff estimates that the total annual cost associated with generating and

<sup>3</sup> If the dispute involves Funds that do not have a common Board, the Board of each affected Fund will select an independent arbitrator that is satisfactory to each Fund.

delivering to investors the information required under Rule 10b-10 would be \$8,417,166,447.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following Web site: [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta\\_Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: May 4, 2016.

**Robert W. Errett,**  
Deputy Secretary.

[FR Doc. 2016-10888 Filed 5-9-16; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-32102; File No. 812-14544]

### Capitala Finance Corp., et al.; Notice of Application

May 4, 2016.

**AGENCY:** Securities and Exchange Commission (“Commission”).

**ACTION:** Notice of application for an order under sections 17(d) and 57(i) of the Investment Company Act of 1940 (the “Act”) and rule 17d-1 under the Act permitting certain joint transactions otherwise prohibited by sections 17(d) and 57(a)(4) of the Act and under rule 17d-1 under the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit a business development company (“BDC”) and certain closed end investment companies to co-invest in portfolio companies with each other and with affiliated investment funds.

**APPLICANTS:** Capitala Finance Corp. (the “Company”), Capitala Private Credit Fund I, L.P. (the “Private Fund”), CapitalSouth Partners Fund II Limited Partnership (“Fund II SBIC”), CapitalSouth Partners SBIC Fund III, L.P. (“Fund III SBIC”), and Capitala

Investment Advisors, LLC (the “BDC Adviser”), on behalf of itself and its successors.<sup>1</sup>

**FILING DATES:** The application was filed on September 10, 2015 and amended on February 26, 2016 and April 28, 2016.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on May 31, 2016, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer’s interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

**ADDRESSES:** Brent J. Fields, Secretary, U.S. Securities and Exchange Commission, 100 F St. NE., Washington, DC 20549-1090. Applicants: 4201 Congress St., Suite 360, Charlotte, NC 28209.

**FOR FURTHER INFORMATION CONTACT:** Kay-Mario Vobis, Senior Counsel, at (202) 551-6728, or Mary Kay Frech, Branch Chief, at (202) 551-6821 (Chief Counsel’s Office, Division of Investment Management).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission’s Web site by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

### Applicants’ Representations

1. The Company, a Maryland corporation, is organized as a closed-end management investment company that has elected to be regulated as a BDC within the meaning of section 2(a)(48) of the Act.<sup>2</sup> Applicants state that the

<sup>1</sup> The term “successor,” as applied to each Adviser (defined below), means an entity that results from a reorganization into another jurisdiction or change in the type of business organization.

<sup>2</sup> Section 2(a)(48) defines a BDC to be any closed-end investment company that operates for the purpose of making investments in securities described in sections 55(a)(1) through 55(a)(3) of the Act and makes available significant managerial assistance with respect to the issuers of such securities.

Company seeks to generate both current income and capital appreciation through investments in traditional mezzanine and senior subordinated loans; first-lien, senior secured positions in “stretch” senior secured loans; as well as equity interests, either in the form of detachable “penny” warrants or equity co-investments made *pari passu* with financial sponsors. The board of directors (“Board”) of the Company is comprised of five directors, three of whom are not “interested persons” within the meaning of section 2(a)(19) of the Act (the “Non-Interested Directors”).

2. The Private Fund is organized as a limited partnership under Delaware law, and would be an investment company but for the exclusion from the definition of investment company provided by section 3(c)(7) of the Act. Applicants state that the Private Fund’s investment objectives and policies are substantially similar to the Objectives and Strategies of the Company.<sup>3</sup>

3. Fund II SBIC and Fund III SBIC (the “Existing SBIC Subsidiaries”) are Wholly-Owned Investment Subs<sup>4</sup> of the Company. Fund II SBIC was organized as a limited partnership under the laws of the state of North Carolina and Fund III SBIC was organized as a limited partnership under the laws of the state of Delaware. Both were organized to make mezzanine investments, primarily in later-stage, middle-market companies located in the southeastern and middle-Atlantic regions of the United States, and have elected to be regulated as a BDC within the meaning of section 2(a)(48) of the Act.

<sup>3</sup> “Objectives and Strategies” means a Regulated Fund’s (defined below) investment objectives and strategies, as described in the Regulated Fund’s registration statement on Form N-2, other filings the Regulated Fund has made with the Commission under the Securities Act of 1933 (the “Securities Act”), or under the Securities Exchange Act of 1934, and the Regulated Fund’s reports to shareholders.

<sup>4</sup> The term “Wholly-Owned Investment Sub” means an entity (i) that is wholly-owned by a Regulated Fund (with the Regulated Fund at all times holding, beneficially and of record, 100% of the voting and economic interests); (ii) whose sole business purpose is to hold one or more investments on behalf of the Regulated Fund (and, in the case of an SBIC Subsidiary, maintain a license under the SBA Act and issue debentures guaranteed by the SBA); (iii) with respect to which the Regulated Fund’s Board has the sole authority to make all determinations with respect to the entity’s participation under the conditions of the application; and (iv) that would be an investment company but for section 3(c)(1) or 3(c)(7) of the Act. An SBIC Subsidiary may be a Wholly-Owned Investment Sub if it satisfies the conditions in this definition. The term “SBIC Subsidiary” means an entity that is licensed by the Small Business Administration (the “SBA”) to operate under the Small Business Investment Act of 1958, as amended, (the “SBA Act”) as a small business investment company.