

(2) Regulatory burden is a serious issue that requires active dialogue between SDOs and regulators.

(3) What is a good SDO, and how does a good SDO interact with the NRC?

(4) There should be a periodic meeting to discuss industry and regulatory needs.

(5) There should be more proactive action by the NRC staff in terms of direct communication with the SDOs on standards implementation problems, needs, priorities, justifications. The SDOs should provide a timely response and update status on their standards activity.

(6) To what extent should there be public involvement in the SDOs, and how would that best be accomplished?

Dated in Rockville, Maryland this 23rd day of April, 1999.

For the Nuclear Regulatory Commission.

John W. Craig,

NRC Standards Executive.

[FR Doc. 99-11118 Filed 5-3-99; 8:45 am]

BILLING CODE 7590-01-M

UNITED STATES POSTAL SERVICE BOARD OF GOVERNORS

Sunshine Act Meeting; Notification of Items Added to Meeting Agenda

DATE OF MEETING: May 3, 1999.

STATUS: Closed.

PREVIOUS ANNOUNCEMENT: 64 FR 19208, April 19, 1999.

ADDITIONS: By telephone vote on April 26, 1999, a majority of the members contacted and voting, the Board of Governors of the United States Postal Service voted unanimously to add the following items to the agenda of its closed meeting:

1. Mailing Online.
2. Point of Service One (POS I).

CONTACT PERSON FOR MORE INFORMATION: Thomas J. Koerber, Secretary of the Board, U.S. Postal Service, 475 L'Enfant Plaza, S.W., Washington, D.C. 20260-1000. Telephone (202) 268-4800.

Thomas J. Koerber,
Secretary.

Certified to be a true copy of the original document.

Stanley F. Mires,
Certifying Officer.

[FR Doc. 99-11305 Filed 4-30-99; 3:53 pm]

BILLING CODE 7710-12-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. IC-23813, 811-7895]

Brantley Capital Corporation; Notice of Application

April 28, 1999.

AGENCY: Securities and Exchange Commission ("SEC" or "Commission").

ACTION: Notice of application for an order under section 8(f) of the Investment Company Act of 1940 (the "Act").

SUMMARY OF APPLICATION: Notice of application for an order to declare that the registration under the Act of applicant, a business development company ("BDC"), has ceased to be in effect as of October 30, 1996.

FILING DATE: The application was filed on April 26, 1999.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 24, 1999, and should be accompanied by proof of service on applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, DC 20549-0609. Applicant, 20600 Chagrin Boulevard, Suite 1150, Cleveland, Ohio 44122.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Senior Counsel, at (202) 942-0572, or Nadya B. Roytblat, Assistant Director, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 5th Street, N.W., Washington, DC 20549-0102 (tel. (202) 942-8090).

Applicant's Representations and Legal Analysis

1. Applicant, a Maryland corporation, elected BDC status by filing a Form N-54A under the Act ("Notification of

Election") and a registration statement under the Securities Exchange Act of 1934 (the "Exchange Act") on August 23, 1996. A registration statement under the Securities Act of 1933 was filed on August 26, 1996. The registration statements were declared effective on November 26, 1996, and an initial public offering commenced on December 3, 1996.

2. On October 30, 1996, applicant inadvertently filed a Notification of Registration on Form N-8A which caused applicant to be registered as an investment company under section 8(a) of the Act. On April 16, 1998, applicant filed an amendment to its Notification of Election to confirm its status as a BDC and to reiterate its intention to be regulated as a BDC. On April 26, 1999, applicant filed an application pursuant to section 8(f) of the Act for an order declaring that applicant's registration under the Act has ceased to be in effect as of October 30, 1996.

3. Section 54(a) of the Act provides that any company that satisfies the definition of a BDC under sections 2(a)(48)(A) and (B) of the Act may elect to be subject to the provisions of sections 55 through 65 of the Act and be regulated as a BDC by filing with the SEC a notification of the election. Applicant states that it has consistently held itself out to the public as a BDC and not as a registered company and that it has complied with the requirements of the Act applicable to BDC's since it filed its Notification of Election. Applicant further states that its status as a registered investment company is purely technical in nature because the period of its registration (from the filing of Form N-8A to the present) has been entirely within the period of applicant's being subject to regulation as a BDC.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-11141 Filed 5-3-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23811; 812-11558]

Kemper Floating Rate Fund, et al.; Notice of Application

April 27, 1999.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of an application for an order under section 6(c) of the Investment Company Act of 1940

("Act") for an exemption from sections 18(c) and 18(i) of the Act, under sections 6(c) and 23(c)(3) of the Act for an exemption from rule 23c-3 under the Act, and pursuant to section 17(d) of the Act and rule 17d-1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain registered closed-end investment companies to issue multiple classes of shares, and impose asset-based distribution fees and early withdrawal charged.

Applicants: Kemper Floating Rate Fund ("Fund"), Kemper Distributors, Inc. ("Distributor"), and Scudder Kemper Investments, Inc. ("Adviser").

Filing Dates: The application was filed on April 1, 1999. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

Hearing or Notification of Hearing: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 21, 1999, and should be accompanied by proof of service on applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549-0609; Applicants, 222 South Riverside Plaza, Chicago, Illinois 60606.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Senior Counsel, at (202) 942-0574, or Christine Y. Greenlees, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. The Fund is a closed-end management investment company registered under the Act and organized as a Massachusetts business trust. The Adviser is registered under the Investment Advisers Act of 1940 and

will serve as investment adviser to the Fund. The Distributor, a broker-dealer registered under the Securities Exchange Act of 1934, will distribute the Fund's shares and provide certain administrative services to the Fund. Both the Adviser and the Distributor are indirect subsidiaries of Zurich Financial Services, Inc. Applicants request that the order also apply to any other registered closed-end investment company for which the Adviser or the Distributor or any entity controlling, controlled by, or under common control with the Adviser or the Distributor acts as investment adviser, principal underwriter, or administrator.¹

2. The Fund's investment objective is to seek as high a level of current income as is consistent with the preservation of capital. The Fund will invest primarily in senior secured floating rate loans made by commercial banks, investment banks and finance companies to commercial and industrial borrowers ("Loans"). Under normal circumstances, at least 80% of the Fund's total assets will be invested in Loans. Up to 20% of the Fund's total assets may be held in cash, or invested in fixed-rate debt obligations, short-to-medium-term notes, high yield securities, asset-backed securities, and equity securities.

3. The Fund intends to continuously offer its shares to the public at net asset value. The Fund's shares will not be offered or traded in the secondary market and will not be listed on any exchange or quoted on any quotation medium. The Fund intends to operate as an "interval fund" pursuant to rule 23c-3 under the Act and make periodic repurchase offers to its shareholders.

4. The Fund seeks the flexibility to be structured as a multiple-class fund, although initially it will only offer one class of shares. The Fund will offer Class B Shares and may in the future offer Class C Shares with no front-end sales charge but subject to an early withdrawal charge ("EWC") that declines over time to 0%. Class B Shares will automatically convert to Class A Shares six years from the date of purchase. The Fund may in the future offer Class A Shares with a front-end sales charge but with no EWC. Class A, Class B, and Class C Shares will be subject to an annual service fee of up to .25% of average daily net assets. Class B Shares may be subject to an annual distribution fee of up to .60% of average

¹ Any registered closed-end investment company relying on this relief in the future will do so in a manner consistent with the terms and conditions of the application. Applicants represent that each investment company presently intending to rely on the relief requested in this application is listed as an applicant.

daily net assets. Class C Shares also may be subject to an asset-based distribution fee. Applicants represent that the service and distribution fees will comply with the provisions of rule 2830(d) of the Conduct Rules of the National Association of Securities Dealers, Inc. ("NASD") as if the Fund were an open-end investment company. Applicants also represent that the Fund will disclose in its prospectus the fees, expenses and other characteristics of each class of shares offered for sale, as is required for open-end multi-class funds under Form N-1A.

5. All expenses incurred by the Fund will be allocated among the various classes of shares based on the net assets of the Fund attributable to each class, except that the net asset value and expenses of each class will reflect distribution fees, service fees (including transfer agency fees), and any other incremental expenses attributable to that class. Expenses of the Fund allocated to a particular class of shares will be borne on a pro rata basis by each outstanding share of that class. The Fund may create additional classes of shares in the future that may have different terms from Class A, Class B, and Class C Shares. Applicants state that the Fund will comply with the provisions of rule 18f-3 as if it were an open-end fund.

6. The Fund may waive the EWC for certain categories of shareholders or transactions to be established from time to time. With respect to any waiver of, scheduled variation in, or elimination of the EWC, the Fund will comply with rule 22d-1 under the Act as if the Fund were an open-end investment company.

7. The Fund may offer its shareholders an exchange feature under which shareholders of the Fund may exchange their shares for shares of the same class of other funds in the Scudder Kemper group of investment companies. Any exchange option will comply with rule 11a-3 under the Act as if the Fund were an open-end investment company subject to that rule. In complying with rule 11a-3, the Fund will treat the EWC as if it were a contingent deferred sales charge ("CDSC").

Applicants' Legal Analysis

Multiple Classes of Shares

1. Section 18(c) of the Act provides, in relevant part, that a closed-end investment company may not issue or sell any senior security if, immediately thereafter, the company has outstanding more than one class of senior security. Applicants state that the creation of multiple classes of shares of the Fund may be prohibited by section 18(c).

2. Section 18(i) of the Act provides that each share of stock issued by a registered management company will be a voting stock and have equal voting rights with every other outstanding voting stock. Applicants state that multiple classes of shares of the Fund may violate section 18(i) of the Act because each class would be entitled to exclusive voting rights with respect to matters solely related to that class.

3. Section 6(c) of the Act provides that the SEC may exempt any person, security, or transaction 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 request an exemption under section 6(c) of the Act from sections 18(c) and 18(i) of the Act to permit the Fund to issue multiple classes of shares.

4. Applicants submit that the proposed allocation of expenses and voting rights among multiple classes is equitable and will not discriminate against any group or class of shareholders. Applicants submit that the proposed arrangements would permit the Fund to facilitate the distribution of its securities and provide investors with a broader choice of shareholder services. Applicants asserts that their proposal does not raise the concerns underlying section 18 of the Act to any greater degree than open-end investment companies' multiple class structures that are permitted by rule 18f-3 under the Act. Applicants state that the Fund will comply with the provisions of rule 18f-3 as if it were an open-end fund.

Early Withdrawal Charges

5. Section 23(c) of the Act provides, in relevant part, that no registered closed-end fund will purchase any securities of which it is the issuer except: (a) on a securities exchange or other open market; (b) pursuant to tenders, after reasonable opportunity to submit tenders given to all holders of securities of the class to be purchased; or (c) under other circumstances as the SEC may permit by rules and regulations or orders for the protection of investors.

6. Rule 23c-3 under the Act permits a registered closed-end fund (an "interval fund") to make repurchase offers of between five and twenty-five percent of its outstanding shares at net asset value at periodic intervals pursuant to a fundamental policy of the fund. Rule 23c-3(b)(1) under the Act provides that an interval fund may

deduct from repurchase proceeds only a repurchase fee, not to exceed two percent of the proceeds, that is reasonably intended to compensate the fund for expenses directly related to the repurchase.

7. Section 23(c)(3) provides that the SEC may issue an order that would permit a closed-end investment company to repurchase its shares in circumstances in which the repurchase is made in a manner or on a basis which does not unfairly discriminate against any holders of the class or classes of securities to be purchased. As noted above, section 6(c) provides that the SEC may exempt any person, security, or transaction from any provision of the Act, if and to the extent that the 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 request relief under section 6(c) and 23(c) from rule 23c-3 to permit them to impose EWCs on shares submitted for repurchase that have been held for less than a specified period.

8. Applicants believe that the requested relief meets the standards of sections 6(c) and 23(c)(3). Rule 6c-10 under the Act permits open-end funds to impose deferred sales charges, subject to certain conditions. Applicants state that EWCs are functionally similar to CDSCs imposed by open-end funds under rule 6c-10 under the Act. Applicants state that EWCs may be necessary for the Distributor to recover distribution costs and the EWCs may discourage investors from moving their money quickly in and out of the Fund, a practice that applicants submit imposes costs on all shareholders. Applicants will comply with rule 6c-10 under the Act as if that rule applied to closed-end funds. The Fund also will disclose EWCs in accordance with the requirements of Form N-1A concerning CDSCs. Applicants further state that the Fund will apply the EWC (and any waivers or scheduled variations of the EWC) uniformly to all shareholders in a given class and consistent with the requirements of rule 22d-1 under the Act.

Asset-based Distribution Fees

9. Section 17(d) of the Act and rule 17d-1 under the Act prohibit an affiliated person of a registered investment company, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates unless the SEC issues an order permitting the

transaction. In reviewing applications submitted under section 17(d) and rule 17d-1, the SEC considers whether the participation of the investment company in a joint enterprise or joint arrangement is consistent with the provisions, policies, and purposes of the Act, and to the extent to which the participation is on a basis different from or less advantageous than that of other participants.

10. Rule 17d-3 under the Act provides an exemption from section 17(d) and rule 17d-1 to permit open-end funds to enter into distribution arrangements pursuant to rule 12b-1. Applicants also request an order under section 17(d) and rule 17d-1 to permit the Fund to impose asset-based distribution fees. Applicants have agreed to comply with rules 12b-1 and 17d-3 as if those rules applied to closed-end investment companies.

Applicants' Condition

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

Applicants will comply with the provisions of rules 6c-10, 11a-3, 12b-1, 17d-3, 18f-3, and 22d-1 under the Act and NASD Conduct Rule 2830(d), as amended from time to time, as if those rules applied to closed-end investment companies.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-11079 Filed 5-3-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41334; File No. SR-AMEX-99-03]

Self-Regulatory Organizations; American Stock Exchange LLC; Order Granting Approval to Proposed Rule Change Relating to Bond Indexed Term Notes

April 27, 1999.

I. Introduction

On January 12, 1999, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4

¹ 15 U.S.C. 78s(b)(1).