

liquidation and termination under state law.

6. Applicants request an exemption under section 6(c) of the Act from the provisions of section 15(f)(1)(A) to permit ODS to receive consideration in compliance with section 15(f) in connection with the Transaction, notwithstanding the fact that, after the Transaction, the MFS Growth Fund will have a board of trustees consisting of fewer than 75% disinterested trustees.

Applicants' Legal Analysis

1. Section 15(f) of the Act is a safe harbor that permits an investment adviser to a registered investment company (or an affiliated person of the investment adviser) to realize a profit upon the sale of its business (which results in an assignment of an advisory contract with such company) if certain conditions are met. Section 15(f)(1)(A) requires that, for a period of three years after such a sale, at least 75 percent of the board of the investment company (or its successor, by reorganization or otherwise) may not be "interested persons" with respect to either the predecessor or successor adviser of the investment company.

2. Section 6(c) of the Act permits the SEC to exempt any person or transaction from any provision of the Act, or any rule or regulation thereunder, if 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. Section 15(f)(3)(B) provides that if the assignment of an investment advisory contract results from the merger of, or sale of substantially all the assets by, a registered investment company with or to another registered investment company with assets substantially greater in amount, such discrepancy in size shall be considered by the SEC in determining whether, or to what extent, to grant exemptive relief pursuant to section 6(c) from section 15(f)(1)(A).

3. Applicants state that at February 24, 1997, the New USA Co. had assets of approximately \$203 million, as compared to MFS Series II's assets of approximately \$2.649 billion; therefore, the assets of New USA Co. are approximately 7.7% of the assets of MFS Series II. Thus, the transaction involves an acquisition by an investment company with assets "substantially greater" than the assets of the acquired fund.

4. Applicants assert that it is appropriate for the assets of each investment company, as opposed to each series, to be taken into account when considering the "substantially

greater" test set forth in section 15(f)(3)(B). Applicants contend that any other conclusion would be inconsistent with the literal language of the section, which refers to the sale of assets of one investment company to another "investment company with assets substantially greater in amount." Applicants state that MFS Series II and the New USA Co. are the registered investment companies involved in the transaction and, in fact, the board of trustees of MFS Series II and the board of director of New USA Co. authorized the transaction on behalf of their respective series.

5. The board of directors of New USA Co. and the board of trustees of MFS Series II consist of the following ("Interested Directors" and "Interested Trustees" are directors and trustees who are "interested persons," within the meaning of section 2(a)(19) of the Act, of NURM and MFS, respectively):

Investment company	Number of interested directors/trustees	Number of disinterested directors/trustees	Total
New USA Co	1	4	5
MFS Series	4	7	11

In order to comply with section 15(f)(1)(A) following consummation of the transactions, MFS Series II would have to add five Disinterested Trustees or reduce the number of Interested Trustees from four to two. If MFS Series II were to add five Disinterested Trustees, a vote of it shareholders would be required pursuant to section 16(a) of the Act, which requires that at least two-thirds of a fund's trustees be elected by shareholders. MFS Series II otherwise would not be required to hold a shareholders meeting under Massachusetts law or the Act to consummate the transaction.

6. For the reasons stated above, applicants assert that the requested relief is necessary and appropriate in the public interest, and is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act, as required by section 6(c).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-11742 Filed 5-5-97; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[License No. 04/04-0268]

Centura SBIC, Inc.; Issuance of a Small Business Investment Company License

On March 21, 1996, an application was filed by Centura SBIC, Inc., 200 Queens Road, Suite 100, Charlotte, North Carolina, with the Small Business Administration (SBA) in accordance with § 107.300 of the Regulations governing small business investment companies (13 CFR 107.300 1996) for a license to operate as a small business investment company.

Notice is hereby given that, pursuant to section 301 (c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 04/04-0268 on April 8, 1997 to Centura SBIC, Inc. to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: May 1, 1997.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 97-11772 Filed 5-5-97; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #2950, Amdt. #2]

State of Arkansas

In accordance with a notice from the Federal Emergency Management Agency, dated April 24, 1997, the above-numbered Declaration is hereby amended to include the Counties of Cleburne, Dallas, Faulkner, Grant, Greene, Sharp, Union, and White as a disaster area due to damages caused by severe storms and flooding beginning on April 4, 1997 and continuing through April 21, 1997.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the previously designated location: Ashley, Bradley, Clay, Conway, Fulton, Hot Spring, Independence, Izard, Perry, Randolph, Saline, Stone, Van Buren, and Woodruff in the State of Arkansas; Union in the State of Louisiana; and Oregon in the State of Missouri.

The numbers assigned to this disaster for economic injury are 947400 for Arkansas, 947600 for Louisiana, and 947700 for Missouri.