

please contact the Office of the Secretary, Attn: Operations Branch, Washington, D.C. 20555 (301-415-1963).

In addition, distribution of this meeting notice over the internet system is available. If you are interested in receiving this Commission meeting schedule electronically, please send an electronic message to alb@nrc.gov or dkw@nrc.gov.

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Dated: July 17, 1996.

William M. Hill, Jr.,

Secretary Tracking Officer, Office of the Secretary.

[FR Doc. 96-18781 Filed 7-19-96; 11:10 am]

BILLING CODE 7590-01-M

UNITED STATES POSTAL SERVICE

Board of Governors; Sunshine Act Notice of Vote to Close Meeting

By telephone vote on July 18, 1996, the Board of Governors of the United States Postal Service voted unanimously to close to public observation its meeting scheduled for July 28-30, 1996, in Chicago, Illinois. The members will consider strategic planning.

The meeting is expected to be attended by the following persons: Governors Alvarado, Daniels, del Junco, Dyhrkopp, Fineman, Mackie, McWherter, Rider and Winters; Postmaster General Runyon, Deputy Postmaster General Coughlin, Secretary to the Board Koerber, and General Counsel Elcano.

The Board determined that pursuant to section 552b(c)(3) of title 5, United States Code; section 410(c) (2)-(5) of title 39, United States Code; and section 7.3 (c) and (d) of title 39, Code of Federal Regulations, the meeting is exempt from the open meeting requirement of the Government in the Sunshine Act [5 U.S.C. 552b(b)].

The Board further determined that the public interest does not require that the Board's discussion of these matters be open to the public.

In accordance with section 552b(f)(1) of title 5, United States Code, and section 7.6(a) of title 39, Code of Federal Regulations, the General Counsel of the United States Postal Service has certified that in her opinion the meeting may properly be closed to public observation pursuant to section 552b(c)(3) of title 5, United States Code; section 410(c) (2)-(5) of title 39, United States Code; and section 7.3 (c) and (d) of title 39, Code of Federal Regulations.

Request for information about the meeting should be addressed to the

Secretary of the Board, Thomas J. Koerber, at (202) 268-4800.

Thomas J. Koerber,

Secretary.

[FR Doc. 96-18805 Filed 7-19-96; 1:42 pm]

BILLING CODE 7710-12-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22078; 812-10220]

MFS® Special Value Trust; Notice of Application

July 17, 1996.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

APPLICANT: MFS® Special Value Trust.

RELEVANT ACT SECTIONS: Exemption requested under section 6(c) of the Act that would grant an exemption from section 19(b) of the Act and rule 19b-1 thereunder.

SUMMARY OF APPLICATION: Applicant requests an order to make up to twelve monthly distributions of long-term capital gains in any one taxable year, so long as applicant maintains in effect a distribution policy calling for monthly distributions of a fixed percentage of its net asset value.

FILING DATES: The application was filed on June 24, 1996.

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 August 12, 1996, 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 the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street N.W., Washington, D.C. 20549. Applicant, 500 Boylston Street, Boston, MA 02116.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Staff Attorney, at (202) 942-0572, or Alison E. Baur, 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.

Applicant's Representations

1. Applicant is closed-end management investment company organized as a Massachusetts business trust. Applicant's investment objective is to maintain an annual distribution rate of 11%, based on the original offering price of \$15 per share, while seeking capital appreciation.

2. Applicant has a distribution policy calling for twelve monthly distributions to shareholders of an amount equal to 0.916% of its initial public offering price of \$15 per share (11% on an annualized basis) ("Monthly Distribution Policy"). If, for any monthly distribution, net investment income and net realized short-term capital gains are less than the amount of the distribution, the difference is distributed from other assets. Applicant's final distribution for each calendar year includes any remaining net investment income and net realized short-term capital gains deemed, for federal income tax purposes, undistributed during the year, as well as any net long-term capital gains realized during the year. If, for any fiscal year, the total distributions exceed net investment income and net realized capital gains, the excess, distributed from other assets, is treated as a return of capital. If applicant's net investment income, net short-term realized gains, net long-term realized gains, and returns of capital for any one year exceed the amount to be distributed under the Monthly Distribution Policy, applicant may in its discretion retain net long-term capital gains to the extent of such excess. Applicant requests relief to permit it to make up to twelve distributions of net long-term capital gains in any one taxable year, so long as it maintains in effect the Monthly Distribution Policy.

Applicant's Legal Analysis

1. Section 19(b) provides that registered investment companies may not, in contravention of such rules, regulations, or orders as the SEC may prescribe, distribute long-term capital gains more often than once every twelve months. Rule 19b-1 limits the number of capital gains distributions, as defined in section 852(b)(3)(C) of the Internal Revenue Code of 1986, as amended, (the "Code"), that applicant may make with respect to any one taxable year to one, plus a supplemental distribution made pursuant to section 855 of the Code not

exceeding 10% of the total amount distributed for year, plus one additional long-term capital gains distribution made to avoid the excise tax under section 4982 of the Code.

2. Rule 19b-1, by limiting the number of net long-term capital gain distributions that applicant may make with respect to any one year, prevents the normal operation of the Monthly Distribution Policy whenever applicants realized net long-term capital gains in any year exceed the total of the fixed monthly distributions that under rule 19b-1 may include such capital gains. In that situation, the rule effectively forces the fixed monthly distributions, that under the rule may not include such capital gains, to be funded with returns of capital (to the extent net investment income and realized short-term capital gains are insufficient), even though net realized long-term capital gains would otherwise be available therefor. The long-term capital gains in excess of the fixed monthly distributions permitted by the rule then must either be added as an "extra" on one of the permitted capital gains distributions, thus exceeding the total annual amount called for by the Monthly Distribution Policy, or be retained by applicant (with applicant paying taxes thereon). d

3. Applicant believes that granting the requested relief would limit applicant's return of capital distributions to that amount necessary to make up any shortfall between applicant's guaranteed distribution and the total of its investment income and capital gains. The likelihood that applicant's shareholders would be subject to additional tax return complexities involved when applicant retains and pays taxes on long-term capital gains would therefore be avoided.

4. One of the concerns leading to the adoption of section 19(b) and rule 19b-1 was that shareholders might be unable to distinguish frequent distributions of capital gains from investment income. In accordance with rule 19a-1, a separate statement showing the source of the distribution (net investment income, net realized capital gains, or returns of capital) will accompany each distribution (or the confirmation of the reinvestment thereof under applicant's dividend reinvestment plan). In addition, a statement showing the amount and source of distributions received during the year will be included with applicant's IRS Form 1099-DIV reports sent to each shareholder who received distributions during the year (including shareholders who sold shares during the year). This information will also be included in

applicant's annual report to shareholders. Through these disclosures and other communications with shareholders, applicant states that its shareholders will understand that applicant's fixed distributions are not tied to its investment income and realized capital gains and will not represent yield or investment return.

5. Another concern that led to the adoption of section 19(b) and rule 19b-1 was that frequent capital gains distributions could facilitate improper fund distribution practices, including the practice of urging an investor to purchase fund shares on the basis of an upcoming dividend ("selling the dividend"), where the dividend results in an immediate corresponding reduction in net asset value and is in effect a return of the investor's capital. Applicant believes that this concern does not apply to closed-end investment companies, such as applicant, which do not continuously distribute shares.

6. Applicant states that another concern leading to the adoption of section 19(b) and rule 19b-1, the increased administrative costs associated with more frequent distributions, is not present because applicant will continue to make monthly distributions regardless of what portion thereof is composed of capital gains.

7. Section 6(c) of the Act provides that the SEC may exempt any person, security, or transaction, or any class of classes of persons, securities, or transactions, from any provisions of the Act, if and to the extent 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. For the reasons stated above, applicant believes that the requested exemption meets the standards set forth in section 6(c).

Applicant's Condition

Applicant agrees that the order granting the exemption shall terminate upon the effective date of a registration statement under the Securities Act of 1933 for any future public offering by applicant of shares of applicant other than: (i) a non-transferable rights offering to shareholders of applicant, provided that such offering does not include solicitation by brokers or the payment of any commissions or underwriting fee; and (ii) an offering in connection with a merger, consolidation, acquisition, or reorganization.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-18561 Filed 7-22-96; 8:45 am]

BILLING CODE 8010-01M

Sunshine Act Agency Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of July 22, 1996.

Open meetings will be held on Tuesday, July 23, 1996, at 10:00 a.m., and Wednesday, July 24, 1996, at 10:00 a.m. Closed meetings will be held on Tuesday, July 23, 1996, following the 10:00 a.m. open meeting, and on Thursday, July 25, 1996, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the close meetings. 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) (4), (8), (9)(A) and (10) and 17 CFR 200.402(a) (4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commission Johnson, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the open meeting scheduled for Tuesday, July 23, 1996, at 10:00 a.m., will be:

The Commission will hear oral argument on an appeal by Richard J. Puccio from the decision of an administrative law judge. For further information, please contact William S. Stern at (202) 942-0949.

The subject matter of the closed meeting scheduled for Tuesday, July 23, 1996, following the 10:00 a.m. open meeting, will be:

Post oral argument discussion.

The subject matter of the open meeting scheduled for Wednesday, July 24, 1996, at 10:00 a.m., will be:

The Commission will be presented with the Final Report of the Advisory Committee on the Capital Formation and Regulatory Processes, which recommends the implementation of a company registration concept. For further information, please contact David Sirignano at (202) 942-2870; Meredith Mitchell at (202) 942-0890; or Luise Welby at (202) 942-2990.

The subject matter of the closed meeting scheduled for Thursday, July 25, 1996, at 10:00 a.m., will be: