
SEC Amends Definition of "Eligible Portfolio Company" under the Investment Company Act of 1940

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On July 21, 2008 the Securities and Exchange Commission ("SEC") expanded the definition of the term "eligible portfolio company" under the Investment Company Act of 1940, as amended (the "Investment Company Act" or the "Act"), to include any domestic operating company with securities listed on a national securities exchange ("Exchange") if the company has a market capitalization of less than \$250 million. This expansion of the rule will help companies known as "business development companies" or "BDCs" under the Investment Company Act broaden their participation in small business financing.

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