

securities issued by Golden Funding include commercial paper, medium-term notes, and may include extendible maturity commercial paper (collectively, the "Securities"). The Securities are offered and sold under an exemption from registration provided by section 4(2) of the Securities Act of 1933 ("Securities Act") and are eligible for resale only to "qualified institutional buyers" under rule 144A of the Securities Act that are also "qualified purchasers" under the Act. Golden Funding also may borrow from banks and issue other debt securities or preferred stock in the United States pursuant to a registration statement or an applicable exemption from registration under the Securities Act. Golden Funding will comply with the applicable requirements in rule 3a-5(a)(1) through (4) and with rule 3a-5(b)(1)(i).

3. Golden Funding uses the proceeds from the Securities and loans to make loans to the Controlled Companies.<sup>1</sup> Each Controlled Company uses the proceeds of the loans to provide financing for a distinct segment of the McDonald's Restaurant System, either by purchasing accounts receivable or originating loans or leases to McDonald's or McDonald's Restaurant System participants. Applicants state that each of the Controlled Companies relies, or upon its formation will rely, on section 3(c)(5) of the Act for exclusion from regulation as an investment company under the Act.

4. Applicants state that in compliance with rule 3a-5(a)(5) under the Act, Golden Funding uses at least 85% of any cash or cash equivalents it raises to make loans to the Controlled Companies as soon as practicable, but in no event later than six months after Golden Funding's receipt of the cash or cash equivalents. In accordance with rule 3a-5(a)(6), all investments by Golden Funding, including temporary investments, will be made in Government securities (as defined in the Act), securities of Controlled Companies or debt securities that are exempted from the provisions of section 3(a)(3) of the Securities Act.

#### Applicants' Legal Analysis

1. Applicants request an order under section 6(c) of the Act exempting Golden Funding from all provisions of the Act. Rule 3a-5 under the Act provides an exemption from the Act for certain companies organized primarily

to finance the business operations of their parent companies or companies controlled by their parent companies.

2. Rule 3a-5(b)(3)(i) under the Act, in relevant part, defines a "company controlled by the parent company" to mean any corporation, partnership, or joint venture that is not considered an investment company under section 3(a) of the Act, or that is excepted or exempted by order from the definition of investment company by section 3(b) or by the rules and regulations under section 3(a) of the Act. Applicants state that the Controlled Companies do not fit within the definition of "company controlled by the parent company" because they derive their non-investment company status from section 3(c)(5) of the Act. Accordingly, Applicants request exemptive relief to permit Golden Funding to issue and sell Securities to finance the operations of SCC and the Controlled Companies. Applicants state that neither SCC, Golden Funding nor the Controlled Companies engage primarily in investment company activities.

3. Section 6(c) of the Act, in pertinent part, provides that the Commission, by order upon application, may conditionally or unconditionally exempt any person, security or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the Act 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 submit that its exemptive request meets the standards set out in section 6(c) of the Act.

#### Applicants' Condition

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

Golden Funding will comply with all of the provisions of rule 3a-5 under the Act, except Golden Funding will be permitted to make loans to or make or hold investments in Controlled Companies that do not meet the portion of the definition of "company controlled by a parent company" in rule 3a-5(b)(3)(i) under the Act solely because they are excluded from the definition of investment company under section 3(c)(5) of the Act.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

### In the Matter of Emission Controls Corporation; Order of Suspension of Trading

January 23, 2003.

It appears to the Securities and Exchange Commission ("Commission") that there is a lack of adequate and accurate information concerning the management, business practices, and results of operations of Emission Controls Corporation ("Emission Controls"). The securities of Emission Controls are quoted on the OTC Pink Sheets under the symbol EMCS. Information has been provided to the Commission raising concerns as to the adequacy and accuracy of Emission Controls' publicly disseminated information concerning, among other things, Emission Controls' products and business prospects.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of Emission Controls.

Therefore, it is ordered, pursuant to section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of Emission Controls is suspended for the period from 9:30 a.m. e.s.t. January 23, 2003, through 11:59 p.m. e.s.t., on February 5, 2003.

By the Commission.

**Margaret H. McFarland,**

*Deputy Secretary.*

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<sup>1</sup> Golden Funding also may from time to time make advances to Credit, which is a "company controlled by the parent company," as that term is defined in rule 3a-5(b)(3).