

**SECURITIES AND EXCHANGE
COMMISSION****Issuer Delisting; Notice of Application
to Withdraw From Listing and
Registration; (Capital Properties, Inc.,
Common Stock, \$1.00 Par Value) File
No. 1-8499**

June 19, 1997.

Capital Properties, Inc. ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the Boston Stock Exchange, Inc. ("BSE" or "Exchange").

The reasons cited in the application for withdrawing the Security from listing and registration include the following:

According to the Company, the Board of Directors of the Company adopted resolutions on May 15, 1997, to withdraw the Security from listing on the BSE and instead, to list such Security on the American Stock Exchange, Inc. ("Amex"). The Company has registered its Security for inclusions on the Amex effective June 16, 1997.

The Company has complied with the rules of the BSE by notifying them of its intention to withdraw its Security. The BSE has raised no objections to the request.

Any interested person may, on or before July 11, 1997, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-16627 Filed 6-24-97; 8:45 am]

BILLING CODE 8010-01-M

**SECURITIES AND EXCHANGE
COMMISSION**

[Investment Company Act Release No. 22717; 811-1138]

**State Bond Equity Funds, Inc.; Notice
of Application**

June 19, 1997.

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

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

APPLICANT: State Bond Equity Funds, Inc.

RELEVANT ACT SECTION: Order requested pursuant to section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATES: The application was filed on February 20, 1997, and amended on May 29, 1997.

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 July 14, 1997, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant: State Bond Equity Funds, Inc., 100 North Minnesota Street, P.O. Box 69, New Ulm, Minnesota 56073-0069.

FOR FURTHER INFORMATION CONTACT: John K. Forst, Staff Attorney, at (202) 942-0569, or Elizabeth G. Osterman, Assistant Director, 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 from the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is a registered open-end management investment company, organized as a Maryland corporation. SEC records indicate that the applicant

filed its notification of registration on Form N-8A on December 15, 1961, and filed a registration statement under the Act on Form N-8B-1 on January 2, 1962. Applicant commenced its initial public offering thereafter. Applicant is advised by ARM Capital Advisors, Inc. ("ARM").

2. On August 16, 1996, applicant's board of directors considered an Agreement and Plan of Reorganization (the "Reorganization Agreement") between applicant and Federated Equity Funds pursuant to which applicant would transfer substantially all of its assets to the Federated Growth Strategies Fund (the "Federated Fund"), a portfolio of the Federated Equity Funds. The Federated Fund is advised by Federated Management, a subsidiary of Federated Investors (together, "Federated"). Pursuant to the Reorganization Agreement, applicant would transfer substantially all of its assets to the Federated Fund in exchange for Class A shares of the Federated Fund. The directors considered several factors and identified certain potential benefits likely to result from the reorganization, including, (a) operating efficiencies as a result of the larger combined size of applicant and the Federated Fund, (b) applicant and the Federated Fund have substantially similar investment objectives, (c) although the maximum front end sales load of the Federated Fund is higher than that of applicant, it is lower than the average for equity growth funds distributed through brokers, (d) expenses of the reorganization will be borne by ARM and/or Federated, and (e) the anticipated tax free nature of the reorganization. The directors concluded that the reorganization presents no significant risks or costs that would outweigh the benefits discussed above. Applicant's board of directors unanimously approved the reorganization at a meeting of the board on August 26, 1996.

3. On September 24, 1996, Federated Fund filed a registration statement and proxy materials on Form N-14 soliciting approval of the reorganization by applicant's shareholders. The registration statement was declared effective on October 24, 1996. Shareholders approved the reorganization at a special meeting held on December 9, 1996.

4. On December 13, 1996, the date of the reorganization, applicant had 7,784,505.862 shares of common stock outstanding. Applicant's net asset value was \$9.54 per share and its aggregate net asset value was \$74,232,691.17. Applicant transferred assets valued at \$74,232,691.17, and received in

exchange 3,104,686.240 Class A shares of the Federated Fund, representing an aggregate net asset value equal to the aggregate net asset value of applicant's transferred shares. Such shares were then distributed to the shareholders of applicant, on that date, in proportion to each shareholder's interest in applicant based on net asset value.

5. All costs involved in the reorganization will be paid by ARM and/or Federated.

6. Applicant has no securityholders and no remaining assets, debts, or liabilities as of the date of the application.

7. Applicant is not a party to any litigation or administrative proceeding. Applicant is not now engaged, and does not propose to engage, in any business activities other than those necessary for the winding up of its affairs.

8. Applicant intends to file articles of dissolution with the Maryland State Department of Assessments and Taxation following deregistration.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-16630 Filed 6-24-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22721; 811-4445]

State Bond Income Funds, Inc.; Notice of Application

June 19, 1997.

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

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

APPLICANT: State Bond Income Funds, Inc.

RELEVANT ACT SECTION: Order requested pursuant to section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATES: The application was filed on February 20, 1997, and amended on May 29, 1997.

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 July 14, 1997, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant: State Bond Income Funds, Inc., 100 North Minnesota Street, P.O. Box 69, New Ulm, Minnesota 56073-0069.

FOR FURTHER INFORMATION CONTACT: John K. Forst, Staff Attorney, at (202) 942-0569, or Elizabeth G. Osterman, Assistant Director, 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 from the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is a registered open-end management investment company, organized as a Maryland corporation. Applicant filed its notification of registration on Form N-8A under the Act on November 5, 1985. SEC records indicate that applicant also filed a registration statement on Form N-1A under the Act and under the Securities Act of 1933 on November 5, 1985. On December 13, 1985, applicant commenced its initial public offering. Applicant is advised by ARM Capital Advisors, Inc. ("ARM").

2. On August 16, 1996, applicant's board of directors considered an Agreement and Plan of Reorganization (the "Reorganization Agreement") between applicant and Federated Fund for U.S. Government Securities, Inc. (the "Federated Fund"). The Federated Fund is advised by Federated Advisers, a subsidiary of Federated Investors (together, "Federated"). Pursuant to the Reorganization Agreement, applicant would transfer all of its assets to the Federated Fund in exchange for Class A shares of the Federated Fund. The directors identified certain potential benefits likely to result from the reorganization, including, (a) operating efficiencies as a result of the larger combined size of the applicant and the Federated Fund, (b) applicant and the Federated Fund have substantially similar investment objectives, (c) applicant's maximum front end sales charge is higher than that of the

Federated Fund, (d) expenses of the reorganization will be borne by ARM and/or Federated, and (e) the anticipated tax free nature of the reorganization. The directors concluded that the reorganization presents no significant risks or costs that would outweigh the benefits discussed above. Applicant's board of directors unanimously approved the reorganization at a meeting of the board held on August 26, 1996.

3. On October 2, 1996, Federated Fund filed a registration statement and proxy materials on Form N-14 soliciting approval of the reorganization by applicant's shareholders. The registration statement was declared effective on October 24, 1996. Shareholders approved the reorganization at a special meeting held on December 9, 1996.

4. On December 13, 1996, the date of the reorganization, applicant had 2,508,514.997 shares of common stock outstanding. Applicant's net asset value was \$5.09 per share and its aggregate net asset value was \$12,774,913.98. Applicant transferred assets valued at \$12,774,913.98, and received in exchange 1,625,428.350 Class A shares of the Federated Fund, representing an aggregate net asset value equal to the aggregate net asset value of applicant's transferred shares. Such shares were then distributed to the shareholders of applicant, on that date, in proportion to each shareholder's interest in applicant based on net asset value.

5. All costs involved in the reorganization will be paid by ARM and/or Federated.

6. Applicant has no securityholders and no remaining assets, debts, or liabilities as of the date of the application.

7. Applicant is not a party to any litigation or administrative proceeding. Applicant is not now engaged, and does not propose to engage, in any business activities other than those necessary for the winding up of its affairs.

8. Applicant intends to file articles of dissolution with the Maryland State Department of Assessments and Taxation following deregistration.

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

Margaret H. McFarland,

Deputy Secretary.

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