

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 Money 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 and filed a registration statement on Form N-1A under the Act and under the Securities Act of 1933 on October 30, 1981. On February 19, 1982 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 Money Market Obligations Trust pursuant to which applicant would transfer all of its net assets to Automated Cash Management Trust (the "Federated Fund"), a portfolio of the Money Market Obligations Trust. The Federated Fund is advised by Federated Management, 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 Institutional Service 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 applicant and the Federated Fund, (b) applicant and the Federated Fund have substantially similar investment objectives, and (c) expenses of the reorganization will be borne by ARM and/or Federated. 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 10, 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 November 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 3,127,230.23 shares of common stock outstanding. Applicant's net asset value was \$1.00 per share and its aggregate net asset value was \$3,127,231.73. Applicant transferred assets valued at \$3,127,231.73, and received in exchange 3,127,230.23 Institutional Service 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 Assessment and Taxation following deregistration.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-16631 Filed 6-24-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22716; 811-3454]

State Bond Municipal 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 Municipal 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, NW., Washington, DC 20549. Applicant: State Bond Municipal 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 applicant filed

its notification of registration on Form N-8A under the Act and filed a registration statement on Form N-1A under the Act and under the Securities Act of 1933 on April 23, 1982. SEC records also indicate that on July 6, 1982, applicant's registration statement became effective. 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 Municipal Opportunities Fund, 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 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 similar investment objectives, (c) while the expense ratio of the Federated Fund presently is higher than that of the applicant, Federated advised applicant that the expense ratio is lower than the average for municipal bond funds distributed through brokers, (d) expenses of the reorganization will be borne by ARM and/or Federated, (e) the anticipated tax free nature of the reorganization, and (f) the difference in the risks associated with certain of the investment strategies used by the Federated Fund which are not used by applicant. 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 October 4, 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 25, 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 7,388,722.704 shares of common stock outstanding. Applicant's net asset value was \$10.82 per share and its aggregate net asset value was \$79,930,763.32.

Applicant transferred assets valued at \$79,930,763.32, and received in exchange 7,648,918.850 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. 97-16629 Filed 6-24-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22720; 811-5412]

State Bond Tax-Free 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 Tax-Free 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: Stated Bond Tax-Free 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

Applicant is a registered open-end management investment company, organized as a Maryland corporation. SEC records indicate applicant filed its notification of registration on Form N-8A under the Act and filed a registration statement on Form N-1A under the Act and under the Securities Act of 1933 on December 7, 1987. On January 28, 1988, 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 Municipal Opportunities Fund, 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 net 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) although the Federated Fund, unlike applicant, invests in municipal bonds which are generally not exempt from the Minnesota personal income tax, the tax-