

CAPITAL PROPERTIES INC /RI/

Form SC 13E3/A

October 22, 2008

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Rule 13e-3 Transaction Statement
Under Section 13(e) of the Securities Exchange Act of 1934
Amendment No. 2
CAPITAL PROPERTIES, INC.**

(Name of the Issuer)
Capital Properties, Inc.
Robert H. Eder
Linda Eder

(Name of Persons Filing Statement)
Common Stock, \$0.01 Par Value

(Title of Class of Securities)
140430109

(CUSIP Number of Class of Securities)

(Name, address and telephone number of person authorized to receive notices and communications on
behalf of persons filing statement)

This statement is filed in connection with (check the appropriate box):

- a. ☒ The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C, or Rule 13e-3(c) under the Securities Act of 1934.
- b. ☐ The filing of a registration statement under the Securities Act of 1934.
- c. ☐ A tender offer.
- d. ☐ None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies: ☐

Check the following box if the filing is a final amendment reporting the results of the transaction: ☐

Calculation of Filing Fee

Transaction Valuation	Amount of Filing Fee
\$360,025*	\$14.15**

Table of Contents

* The Transaction Valuation amount referred to above is approximately the product of 14,401 fractional shares to be purchased (the Fractional Shares) and \$25.00, the cash price per share to be paid for fractional shares.

** The amount of the filing fee, calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, equals the transaction value multiplied by .0000393.

b Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$14.15

Form or Registration Number: Schedule 13E-3

Filing Party: Capital Properties, Inc.

DATE FILED: August 4, 2008

TABLE OF CONTENTS

ITEM 1. SUMMARY TERM SHEET.

ITEM 2. SUBJECT COMPANY INFORMATION.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

ITEM 4. TERMS OF THE TRANSACTION.

ITEM 5. PAST CONTRACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

ITEM 7. PURPOSES, ALTERNATIVES, REASONS AND EFFECTS IN A GOING PRIVATE TRANSACTION.

ITEM 8. FAIRNESS OF THE GOING PRIVATE TRANSACTION.

ITEM 9. REPORTS, OPINIONS, APPRAISALS AND NEGOTIATIONS.

ITEM 10. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATIONS.

ITEM 11 INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

ITEM 12. THE SOLICITATION OR RECOMMENDATION.

ITEM 13. FINANCIAL STATEMENTS.

ITEM 14. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.

ITEM 15. ADDITIONAL INFORMATION.

ITEM 16. EXHIBITS.

SIGNATURE

Table of Contents

INTRODUCTION

This Amendment No. 3 amends and supplements the Schedule 13e-3 (the "Statement") filed by Capital Properties, Inc., a Rhode Island corporation (the "Company"), Robert H. Eder and Linda Eder on August 4, 2008, as amended and supplemented by that Amendment No. 1, filed pursuant to Section 13(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and Rule 13e-3 thereunder in connection with a 75 for 1 reverse split of the Company's Class A Common Stock, \$0.01 par value, with a cash payment per share in lieu of fractional shares equal to \$25.00 per pre-split share (the "Reverse Split"). This Statement is intended to satisfy the reporting requirements of Section 13(e) of the Exchange Act.

A definitive proxy statement of the Company relating to the solicitation of proxies for the Special Meeting of Shareholders (the "Proxy Statement") is being filed concurrently with this filing. Except as otherwise set forth below, the information set forth in the Proxy Statement, including all appendices thereto, is hereby expressly incorporated herein by reference in response to the items of this Schedule 13e-3.

ITEM 1. SUMMARY TERM SHEET.

The information set forth in the Proxy Statement under the caption "SUMMARY TERM SHEET" is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) Name and Address

Capital Properties, Inc., 100 Dexter Road, East Providence, Rhode Island 02914, Telephone: (401) 435-7171

(b) Securities

The information set forth in the Proxy Statement under the caption "VOTING SECURITIES" is incorporated herein by reference.

(c) Trading Market and Price

The information set forth in the Proxy Statement under the caption "PRICE RANGE OF COMMON STOCK AND DIVIDENDS" is incorporated herein by reference.

(d) Dividends

The information set forth in the Proxy Statement under the caption "PRICE RANGE OF COMMON STOCK AND DIVIDENDS" is incorporated herein by reference.

(e) Prior Public Offerings

The Company has made no underwritten public offering of the subject securities for cash during the past three years that was registered under the Securities Act of 1933 or exempt from registration under Regulation A (Rules 251 through 263 of the Securities Act of 1933, as amended).

(f) Prior Stock Purchases

The Company has not purchased any subject securities during the past two years.

Table of Contents

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) Name and Address

The filing persons are:

Capital Properties, Inc.. (the subject company)

100 Dexter Road

East Providence, Rhode Island 02914

Robert H. Eder

100 Dexter Road

East Providence, Rhode Island 02914

Mr. Eder is the President, Chief Executive Officer and Chairman of the Board of Directors of the subject company. Mr. Eder along with his wife, also beneficially owns over 50% of the outstanding common stock of the subject company.

Linda Eder

100 Dexter Road

East Providence, Rhode Island 02914

Ms. Eder is the wife of Mr. Eder, and together with Mr. Eder, beneficially owns over 50% of the outstanding stock of the subject company.

(b) Business and Background of Entities

Not applicable.

(c) Business and Background of Natural Persons

(1), (2)

Robert H. Eder has served as President of the Company since January 1, 2008, Chairman and Chief Executive Officer of the Company since 1995 and Chairman of the Board of Directors of Providence and Worcester Railroad Company since 1998.

Linda Eder has not been employed during the past five years.

(3) Neither Mr. Eder or Ms. Eder have been convicted in a criminal proceeding during the past five years.

(4) Neither Mr. Eder or Ms. Eder were a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

(5) Mr. and Ms. Eder are both citizens of the United States.

Table of Contents

- (d) Tender Offer.

Not applicable.

ITEM 4. TERMS OF THE TRANSACTION.

- (a) Material Terms

The information set forth in the Proxy Statement under the caption SUMMARY TERM SHEET and SPECIAL FACTORS is incorporated herein by reference.

- (c) Different Terms

The information set forth in the Proxy Statement under the caption SUMMARY TERM SHEET, REASONS AND EFFECTS OF REVERSE STOCK SPLIT AMENDMENT Effect on Holders of Fewer than 75 Shares of Common Stock and Treatment of Multiple Accounts, REASONS AND EFFECTS OF REVERSE STOCK SPLIT AMENDMENT Effect on Unaffiliated Shareholders Who Own 75 or More Shares and REASONS AND EFFECTS OF REVERSE STOCK SPLIT AMENDMENT Effect on Affiliated Shareholders is incorporated herein by reference.

- (d) Appraisal Rights

The information set forth in the Proxy Statement under the caption SUMMARY TERM SHEET and APPRAISAL RIGHTS AND DISSENTER S RIGHTS is incorporated herein by reference.

- (e) Provisions For Unaffiliated Security Holders

The information set forth in the Proxy State under the caption FAIRNESS OF THE REVERSE STOCK SPLIT is incorporated herein by reference.

- (f) Eligibility For Listing or Trading

Not applicable.

ITEM 5. PAST CONTRACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

- (a) Transactions

Not applicable.

- (b) Significant Corporate Events

Not applicable.

- (c) Negotiations or Contacts

Not applicable.

Table of Contents

(d) Conflicts of Interest

The information set forth in the Proxy State under the caption SUMMARY TERM SHEET and INTERESTS OF CERTAIN PERSONS is incorporated herein by reference.

(e) Agreements Regarding the Subject Company's Securities

Not applicable.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

(b) Use of Securities Acquired.

Outstanding shares of the Company's existing common stock, \$0.01 par value, that would otherwise be converted into a fractional share following the Reverse Stock Split will be canceled; otherwise, no securities will be acquired in the transaction.

(c)(1)-(10) Plans.

The information set forth in the Proxy Statement under the captions SUMMARY TERM SHEET, SPECIAL FACTORS PURPOSES SPECIAL FACTORS REASONS AND EFFECTS OF REVERSE STOCK SPLIT AMENDMENT and CLASS B STOCK AUTHORIZATION is incorporated herein by reference.

ITEM 7. PURPOSES, ALTERNATIVES, REASONS AND EFFECTS IN A GOING PRIVATE TRANSACTION.

(a) Purposes

The information set forth in the Proxy Statement under the caption SUMMARY TERM SHEET and SPECIAL FACTORS PURPOSES is incorporated herein by reference.

(b) Alternatives

The information set forth in the Proxy Statement under the captions SUMMARY TERM SHEET, SPECIAL FACTORS ALTERNATIVES TO REVERSE STOCK SPLIT AND SUMMARY TERM SHEET FAIRNESS OF THE REVERSE STOCK SPLIT is incorporated herein by reference.

(c) Reasons

The information set forth in the Proxy Statement under the caption SUMMARY TERM SHEET, SPECIAL FACTORS PURPOSES and SPECIAL FACTORS REASONS AND EFFECTS OF THE REVERSE STOCK SPLIT AMENDMENT is incorporated herein by reference.

(d) Effects

The information set forth in the Proxy Statement under the captions SUMMARY TERM SHEET, SPECIAL FACTORS REASONS AND EFFECTS OF REVERSE STOCK SPLIT AMENDMENT and SPECIAL FACTORS - CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF REVERSE STOCK SPLIT is incorporated herein by reference.

Table of Contents

ITEM 8. FAIRNESS OF THE GOING PRIVATE TRANSACTION.

(a) Fairness

The information set forth in the Proxy Statement under the caption SUMMARY TERM SHEET and SPECIAL FACTORS FAIRNESS OF THE REVERSE STOCK SPLIT is incorporated herein by reference.

(b) Factors Considered in Determining Fairness

The information set forth in the Proxy Statement under the caption SPECIAL FACTORS PURPOSES, SPECIAL FACTORS FAIRNESS OF THE REVERSE STOCK SPLIT and SPECIAL FACTORS ALTERNATIVES TO REVERSE STOCK SPLIT is incorporated herein by reference.

(c) Approval of Security Holders

The information set forth in the Proxy Statement under the caption SPECIAL FACTORS FAIRNESS OF THE REVERSE STOCK SPLIT is incorporated herein by reference.

(d) Unaffiliated Representative

The information set forth in the Proxy Statement under the caption SPECIAL FACTORS FAIRNESS OF THE REVERSE STOCK SPLIT is incorporated herein by reference.

(e) Approval of Directors

The information set forth in the Proxy Statement under the captions SPECIAL FACTORS BACKGROUND OF REVERSE STOCK SPLIT and SPECIAL FACTORS FAIRNESS OF THE REVERSE STOCK SPLIT is incorporated herein by reference.

(f) Other Offers

Not applicable.

ITEM 9. REPORTS, OPINIONS, APPRAISALS AND NEGOTIATIONS.

(a)-(c) The information set forth in the Proxy Statement under the caption SPECIAL FACTORS BACKGROUND OF REVERSE STOCK SPLIT and SPECIAL FACTORS APPRAISALS, OPINIONS AND REPORTS and in Appendix A to the Proxy Statement is incorporated herein by reference.

ITEM 10. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATIONS.

(a) Source of Funds. The information set forth in the Proxy Statement under the caption SPECIAL FACTORS REASONS AND EFFECTS OF REVERSE STOCK SPLIT AMENDMENT is incorporated herein by reference.

(b) Conditions.

Not Applicable.

Table of Contents

(c) Expenses.

The information set forth in the Proxy Statement under the caption SPECIAL FACTORS REASONS AND EFFECTS OF REVERSE STOCK SPLIT AMENDMENT is incorporated herein by reference.

(d) Borrowed Funds.

Not Applicable.

ITEM 11 INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) Securities Ownership

The information set forth in the Proxy Statement under the caption SPECIAL FACTORS SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT is incorporated herein by reference.

(b) Securities Transactions

Not applicable.

ITEM 12. THE SOLICITATION OR RECOMMENDATION.

(d) Intent to Tender or Vote in a Going-Private Transaction

The information set forth in the Proxy Statement under the caption SUMMARY TERM SHEET and SPECIAL FACTORS REASONS AND EFFECTS OF REVERSE STOCK SPLIT AMENDMENT is incorporated herein by reference.

(e) Recommendations of Others

The information set forth in the Proxy Statement under the caption SPECIAL FACTORS FAIRNESS OF THE REVERSE STOCK SPLIT is incorporated herein by reference.

ITEM 13. FINANCIAL STATEMENTS.

(a) Financial Information

The information set forth in the Company's Report on Form 10-K for the fiscal year ended December 31, 2007, under Item 6. Selected Financial Data and the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008, under Item 1. Consolidated Financial Statements are incorporated herein by reference.

Copies of the reports incorporated herein by reference will be mailed to shareholders of record along with the Proxy Statement. Copies may also be obtained by contacting the Company at 100 Dexter Road, East Providence, Rhode Island 02914, telephone number (401) 435-7171.

(b) Pro Forma Information

Not Applicable.

Table of Contents

ITEM 14. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.

(a) Solicitations or Recommendations

The information set forth in the Proxy Statement under the caption PERSONS MAKING THE SOLICITATION is incorporated herein by reference.

(b) Employees and Corporate Assets

The information set forth in the Proxy Statement under the caption PERSONS MAKING THE SOLICITATION is incorporated herein by reference.

ITEM 15. ADDITIONAL INFORMATION.

The information contained in the Proxy Statement, including any appendices thereto, is incorporated herein by reference.

ITEM 16. EXHIBITS.

(a) Disclosure Materials

Proxy Statement filed electronically via EDGAR with the Securities and Exchange Commission on October 22, 2008

(b) None

(c) Report, Opinion or Appraisal

Filed as Appendix A to the Proxy Statement filed electronically via EDGAR with the Securities and Exchange Commission on October 22, 2008.

(d) None

(e) None

(f) None

(g) None

(h) None

Table of Contents

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the Information set forth in this statement is true, complete and correct.

CAPITAL PROPERTIES, INC.

By: /s/ Robert H. Eder
Name: Robert H. Eder
Title: President & CEO

/s/ Robert H. Eder
Robert H. Eder

/s/ Linda Eder
Linda Eder