

UNITED STATES OF AMERICA  
BEFORE THE  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940  
Release No. 32421/ January 10, 2017

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In the Matter of :  
 :  
EQUUS TOTAL RETURN, INC. :  
 :  
700 Louisiana St., 48<sup>th</sup> Floor :  
Houston, TX 77002 :  
 :  
(812-14653) :  
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ORDER UNDER SECTIONS 6(c), 61(a)(3)(B), 57(a)(4), 57(i), AND 23(c)(3) OF THE  
INVESTMENT COMPANY ACT OF 1940

Equus Total Return, Inc. filed an application on May 26, 2016, and amendments to the application on August 25, 2016, September 29, 2016 and November 23, 2016, for an order under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from sections 23(a), 23(b) and 63 of the Act; under section 61(a)(3)(B) of the Act; under sections 57(a)(4) and 57(i) of the Act and rule 17d-1 under the Act authorizing certain joint transactions otherwise prohibited by section 57(a)(4) of the Act; and under section 23(c)(3) of the Act for an exemption from section 23(c) of the Act. The order would permit applicant to (a) issue restricted shares of its common stock (“Restricted Stock”) or common stock purchase options (“Options”) as part of the compensation package for certain participants in its 2016 Equity Incentive Plan (the “Plan”), (b) grant Options to directors who are not also employees or officers of the applicant (“Non-Employee Directors”) under the Plan, (c) withhold shares of its common stock or purchase shares of its common stock from participants to satisfy tax withholding obligations relating to the vesting of Restricted Stock or the exercise of Options that will be granted pursuant to the Plan, and (d) permit participants to pay the exercise price of Options with shares of applicant’s common stock.

On December 14, 2016, a notice of the filing of the application was issued (Investment Company Act Release No. 32392). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, as amended, that granting the requested exemptions is appropriate in and consistent with the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

It is further found that the terms of the proposal to issue options to Non-Employee Directors under the Plan are fair and reasonable and do not involve overreaching of applicant or its shareholders.

It is further found that participation by the investment company in the proposed arrangement is consistent with the provisions, policies and purposes of the Act and is on a basis no less advantageous than that of other participants.

It is further found that the proposed repurchase will be made in a manner which does not unfairly discriminate against any holders of the class or classes of securities to be purchased.

Accordingly,

IT IS ORDERED, under section 6(c) of the Act, that the exemption from sections 23(a), 23(b) and 63 of the Act, requested by applicant (File No. 812-14653), is granted, effective immediately, subject to the conditions contained in the application, as amended.

IT IS FURTHER ORDERED, under section 61(a)(3)(B) of the Act, that the requested authorization to issue Options to the Non-Employee Directors, is granted, effective immediately, subject to the conditions contained in the application, as amended.

IT IS FURTHER ORDERED, under sections 57(a)(4) and 57(i) of the Act and rule 17d-1 under the Act, that the investment company's participation in the proposed arrangement is approved, effective immediately, subject to the conditions contained in the application, as amended.

IT IS FURTHER ORDERED, under section 23(c)(3) of the Act, that the exemption from section 23(c) is granted, effective immediately, subject to the conditions contained in the application, as amended.

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

Robert W. Errett  
Deputy Secretary