the agreement and the proposed order or to modify their terms in any way.

Donald S. Clark,

Secretary.

[FR Doc. 97–2808 Filed 2–4–97; 8:45 am]

BILLING CODE 6750–01–P

[File No. 932–3019]

The Administrative Co.; Michael P. McIntyre; Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair or deceptive acts or practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would prohibit, among other things, The Administrative Company and McIntyre from making misrepresentations about living trusts, and would require them to make certain disclosures with regard to legal challenges that can be made against living trusts, the possibility of probate for certain estates regardless of whether living trusts are used, and the transfer of consumers' assets into the trusts. The agreement settles allegations that the respondents made numerous false statements about the benefits and appropriateness of living trusts, in general, and about living trusts they sold, in particular.

DATES: Comments must be received on or before April 7, 1997.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Janice Charter, Federal Trade Commission, Denver Regional Office, 1961 Stout Street, Suite 1523, Denver, CO 80294. (303) 844–2272. Elizabeth Palmquist, Federal Trade Commission, Denver Regional Office, 1961 Stout Street, Suite 1523, Denver, CO 80294. (303) 844–2272.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and § 2.34 of the Commission's rules of practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the accompanying complaint. An electronic copy of the full text of the consent agreement package can be obtained from the Commission Actions section of the FTC Home Page (for January 16, 1997), on the World Wide Web, at ''http://www.ftc.gov/os/actions/htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, Sixth Street and Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326–3627. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with § 4.9(b)(6)(ii) of the Commission's rules of practice (16 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission has agreed to accept, subject to final approval, a proposed consent order settling charges that Michael P. McIntyre and The Administrative Company (''TAC'') violated Section 5 of the Federal Trade Commission Act.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

This matter concerns the sale of living trusts to senior citizens through membership in the American Association for Senior Citizens (''AASC''). The respondents covered by the proposed order include The Administrative Company, the company through which all of AASC's business was conducted, and Michael P. McIntyre, the President of TAC.

The complaint alleges that the respondents violated section 5 of the Federal Trade Commission Act by making numerous misrepresentations about the advantages of living trusts over other forms of estate planning. Specifically, the complaint alleges that respondents have misrepresented that (1) the use of a living trust avoids all administrative costs; (2) at death, a living trust ensures that assets are distributed immediately or almost immediately; (3) a living trust cannot be challenged; (4) living trusts are prepared by local attorneys; (5) a living trust protects against catastrophic medical costs; (6) a living trust is the appropriate estate planning device for every consumer; and (7) there are no disadvantages to a living trust.

The proposed consent order contains provisions which are designed to remedy the alleged violations and to prevent the respondents from engaging in similar acts and practices in the future. The proposed order would prohibit the respondents from making the misrepresentations alleged in the complaint and set forth above. Additionally, the order would require the respondents to disclose to prospective purchasers that living trusts may be challenged on similar grounds as wills and that they may not be appropriate in all instances.

Under the order, the respondents also would be required to provide four affirmative disclosures in situations where the statements would be true. (1) Some states have created a mechanism for ''informal probate'' of an estate if the estate meets certain criteria, which significantly reduces the time involved in probate. This disclosure would be required in states where informal probate is available. (2) If the transfer of an individual's assets into the living trust is not included in the price of creating the living trust, that fact must be disclosed. (3) If it is the sole responsibility of the purchaser of the living trust to transfer assets into the trust, that fact must be disclosed. (4) In some states, but not in others, creditors have a longer period of time to file claims against a living trust than against a probated estate. This fact would have to be disclosed in such states.

The proposed order would require the respondents to distribute the proposed order to their officers, agents, and all personnel who participate in any way in respondents' sales activities relating to living trusts. Additionally, the order would require TAC to notify the Commission of any changes in its corporate structure, and Michael McIntyre to notify the Commission of his affiliation with any new business. The proposed order also requires the respondents to retain for five years all materials that they rely upon in making representations covered by the order. Finally, the respondents are required to file one or more compliance reports detailing their compliance with the order.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order, nor to modify in any way their terms. The proposed consent order has been entered into for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in the complaint.

Donald S. Clark,

Secretary.

[FR Doc. 97–2809 Filed 2–4–97; 8:45 am]

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[File No. 942–3114]

Herb Gordon Auto World, Inc. d/b/a Herb Gordon Auto World, Herb Gordon Dodge, Herb Gordon Mercedes-Benz, Herb Gordon Nissan, Herb Gordon Oldsmobile, Herb Gordon Volvo, and Herb Gordon Used Cars; Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair or deceptive acts or practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would prohibit, among other things, the Silver Spring, Maryland-based automobile dealerships from misrepresenting financing terms and would require them them to comply with federal laws mandating accurate disclosure of the annual percentage rate and monthly payments in financed offers and clear and conspicuous disclosure of major automobile deal terms. They also agreed not to advertise terms that are not actually available to consumers. The Commission had alleged that, in several car leasing advertising campaigns, Herb Gordon Auto had not included all of the disclosures of lease costs and terms required under the Consumer Leasing Act.

DATES: Comments must be received on or before April 7, 1997.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., NW, Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: David Medine, Federal Trade Commission, 6th and Pennsylvania Ave, NW, Washington, DC 20580. (202) 326–3224. Carole Reynolds, Federal Trade Commission, 6th and Pennsylvania Ave, NW, Washington, DC 20580. (202) 326–3230.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and § 2.34 of the Commission's rules of practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the accompanying complaint. An electronic copy of the full text of the consent agreement package can be obtained from the Commission Actions section of the FTC Home Page (for January 23, 1997), on the World Wide Web, at ''http://www.ftc.gov/os/actions/htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, Sixth Street and Pennsylvania Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326–3627. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with § 4.9(b)(6)(ii) of the Commission's rules of practice (16 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission has accepted an agreement to a proposed consent order from respondent Herb Gordon Auto, Inc. dba Herb Gordon Auto World, Herb Gordon Dodge, Herb Gordon Mercedes-Benz, Herb Gordon Nissan, Herb Gordon Oldsmobile, Herb Gordon Volvo, and Herb Gordon Used Cars.[1]

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

The complaint alleges that respondent Herb Gordon Auto has disseminated or caused to be disseminated advertisements that state initial low monthly payment amounts and promote the ''luxury of low payments'' and in fine print, *inter alia*, state an initial number of payments, a downpayment and another amount described as a ''purchase option'' (''Gold Key Plus'' advertisements). The complaint alleges that the Gold Key Plus advertisements misrepresent that the additional amount is optional and fail to disclose that the financing to be signed at purchase requires the consumer to make a substantial balloon payment at the conclusion of the initial payments, which is a mandatory obligation, and that respondent, therefore, has engaged in a deceptive act or practice in violation of section 5(a) of the Federal Trade Commission Act (''FTC Act'). The complaint also alleges that the Gold Key Plus advertisements fail to accurately state the terms of repayment, by failing to disclose that the additional amount is a final payment and by inaccurately stating that the amount is optional when, in fact, it is mandatory based on the financing to be signed at purchase, in violation of the Truth in Lending Act (''TILA'') and § 226.24(c) of Regulation Z. The complaint also alleges that the Gold Key Plus advertisements fail to disclose the annual percentage rate for the financing, using that term or the abbreviation ''APR,'' in violation of the TILA and § 226.24(c) of Regulation Z, and that this is a deceptive act or practice in violation of section 5(a) of the FTC Act.

The complaint also alleges that respondent Herb Gordon Auto has disseminated or caused to be disseminated advertisements that state a low downpayment and initial low monthly payment amounts and thereafter, *inter alia*, state that the ''balance of 48 payments will be higher than 1st 12 months'' and ''cost per $1,000 borrowed $20.52'' (''Drive for 95'' advertisements). The complaint alleges that the Drive for 95 advertisements misrepresent and fail to accurately disclose the amount of the second series of installment payments required at conclusion of the initial payments, based on the financing to be signed at purchase, and that respondent, therefore, has engaged in a deceptive act or practice, in violation of section 5(a) of the FTC Act. The complaint also alleges that the Drive for 95 advertisements, *inter alia*, fail to accurately state the terms of repayment, by failing to accurately disclose the amount of the second series of installment payments required at conclusion of the initial payments, based on the financing to be signed at purchase, in violation of the TILA and § 226.24(c) of Regulation Z.

The complaint also alleges that in fine print in the Gold Key Plus advertisements, respondent's advertisements state an initial number of payments, a downpayment and another amount described as a ''purchase option'' (the ''disclaimer''). The complaint also alleges that in fine print (print), in fine print for a short duration (television) and orally for a short duration (radio) in the Drive for 95

[1] In this Analysis to Aid Public Comment, Herb Gordon Auto, Inc. dba Herb Gordon Auto World, Herb Gordon Dodge, Herb Gordon Mercedes-Benz, Herb Gordon Nissan, Herb Gordon Oldsmobile, Herb Gordon Volvo and Herb Gordon Used Cars are referred to collectively as ''respondent Herb Gordon Auto'' or ''respondent.''