holding company by acquiring 100 percent of the voting shares of University National Bank, Pittsburg, Kansas, a de novo bank in organization.

E. Federal Reserve Bank of Dallas (W. Arthur Tribble, Vice President) 2200 North Pearl Street, Dallas, Texas 75201–2272:

1. South Plains Financial, Inc., Lubbock, Texas; to acquire 100 percent of the voting shares of West Texas National, Bancshares, Inc., Lockney, Texas, and thereby indirectly acquire Lockney Holding Company, Inc., Wilmington, Delaware; First National Bank, Lockney, Texas; and First State Bank, Silverton, Texas.

2. Texas Country Bancshares, Inc., Brady, Texas, and TCB Delaware, Inc., Dover, Delaware; to acquire 100 percent of the voting shares of Knox City Bancshares, Inc., Knox City, Texas, and thereby indirectly acquire Citizens Bank, Knox City, Texas.

Board of Governors of the Federal Reserve System, October 16, 1998.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 98–28286 Filed 10–21–98; 8:45 am]

BILLING CODE 6210–01–P

FEDERAL RESERVE SYSTEM

Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage de novo, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than November 5, 1998.

A. Federal Reserve Bank of New York (Betsy Buttrill White, Senior Vice President) 33 Liberty Street, New York, New York 10045–0001:

1. Warwick Community Bancorp, Inc, Warwick, New York; to acquire more than 5 percent but less than 10 percent of GSB Financial Corporation, Goshen, New York, and thereby indirectly acquire Goshen Savings Bank, Goshen, New York, and operate a savings association, pursuant to § 225.28(b)(4)(ii) of Regulation Y.

B. Federal Reserve Bank of Kansas City, (Michael Manies, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198–0001:

1. Gold Banc Corporation, Leawood, Kansas; to acquire The Trust Company, St. Joseph, Missouri, and thereby indirectly engage in trust company functions, pursuant to § 225.28(b)(5) of Regulation Y.

Board of Governors of the Federal Reserve System, October 16, 1998.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 98–28287 Filed 10–21–98; 8:45 am]

BILLING CODE 6210–01–P

FEDERAL TRADE COMMISSION

[File Nos. 9823162, 9823528, & 9723267]

Chrysler Corporation, Bozell Worldwide, Inc., & Martin Advertising, Inc.; Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreements.

SUMMARY: The three consent agreements in these matters settle alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaints that accompany the consent agreements and the terms of the consent orders—embodied in the consent agreements—that would settle these allegations.

DATES: Comments must be received on or before December 21, 1998.

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: Rolando Berrelez or Sally Pitofsky, FTC/S–4429, Washington, DC 20580. (202) 326–3211 or 326–3318.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreements containing consent orders to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, have 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 agreements, and the allegations in the complaints. An electronic copy of the full text of the consent agreement packages can be obtained from the FTC Home Page (for October 15, 1998), on the World Wide Web, at ''http://www.ftc.gov/os/actions97.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 Section 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

Summary

The Federal Trade Commission has accepted separate agreements, subject to final approval, from Chrysler Corporation (''Chrysler'') and two advertising agencies, Bozell Worldwide, Inc. (''Bozell'') and Martin Advertising, Inc., (''Martin'') (collectively referred to as ''respondents''). Bozell is the advertising agency for Chrysler, and Martin is an advertising agency for numerous automobile dealers and dealer marketing groups.

The proposed consent orders have been placed on the public record for sixty (60) days for receipt 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 agreements and the comments received and will decide whether it should withdraw from the agreements or make final the agreements' proposed orders.

The complaints allege that respondents created and disseminated autombile lease advertisements that violate the Federal Trade Commission Act (''FTC Act''), the Consumer Leasing Act (''CLA''), and Regulation M. The complaint against Martin also alleges that respondent Martin's automobile

credit advertisements violated the FTC Act, the Truth in Lending Act (''TILA''), and Regulation Z. One of Martin's advertisements was a balloon payment credit advertisement at issue in the Federal Trade Commission's enforcement action against General Motors Corporation (''GM''), Dkt. No. C–3710.

Section 5 of the FTC Act prohibits false, misleading, or deceptive representations or omissions of material information in advertisements. In addition, Congress established statutory disclosure requirements for lease and credit advertising under the CLA and TILA, respectively, and directed the Federal Reserve Board (''Board'') to promulgate regulations implementing such statutes—Regulations M and Z. *See* 15 U.S.C. §§ 1667–1667e; 12 C.F.R. Part 213; 12 C.F.R. Part 226.

I. Chrysler and Bozell

A. FTC Act Violations—Lease Advertising

1. Misrepresentation of Model Availability

The complaints against Chrysler and Bozell allege that these companies misrepresent the vehicle models available at the advertised lease terms. According to the complaints, these respondents represent that consumers can lease the Chrysler vehicles featured in respondents' advertisements at the lease terms prominently stated in the advertisements. This representation is false, according to the complaints, because the lease terms apply to Chrysler models of lesser value than the Chrysler vehicles featured in the advertisements. The complaints allege that the fine print disclosures in Chrysler and Bozell's lease advertisements, including but not limited to ''Limited model shown, higher'' are inadequate to disclaim or modify the representation. The Bozell complaint also alleges that Bozell, the advertising agency, knew or should have known that this representation was false and misleading. These practices, according to the complaint, constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act.

2. Failure to Provide Adequate Disclosures in Lease Advertising

The Chrysler and Bozell complaints also allege that respondents' lease advertisements represent that consumers can lease the advertised vehicles at the terms prominently stated in the advertisements, including but not limited to the monthly payment amount. These advertisements allegedly do not adequately disclose additional terms pertaining to the lease offers, such as the total amount of any payments due at lease inception. The existence of these additional terms would be material to consumers in deciding whether to lease the advertised vehicles, according to the complaints. The Bozell complaint alleges that Bozell knew or should have known that the failure to disclosure adequately material terms was deceptive. These practices, according to the complaints, constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act.

B. CLA and Regulation M Violations

Chrysler and Bozell's lease advertisements also allegely violate the CLA and Regulation M. According to the complaints, these respondents' lease advertisements state a monthly payment amount but fail to disclose clearly and conspicuously certain additional terms required by the CLA and Regulation M, including one or more of the following terms: that the transaction advertised is a lease; the total amount due prior to or at consummation or by delivery, if delivery occurs after consummation, and that such amount: (1) excludes third-party fees, such as taxes, licenses, and registration fees, and discloses that fact or (2) includes third-party fees based on a particular state or locality and discloses that fact and the fact that such fees may vary by state or locality; whether or not a security deposit is required; and the number, amount, and timing of scheduled payments.

According to the complaints, respondents' television lease disclosures are not clear and conspicuous because they appear on the screen in very small type, for a very short duration, and/or accompanied by background sounds and images. The Chrysler and Bozell complaints, therefore, allege that these practices violate Section 184 of the CLA, 15 U.S.C. § 1667c, as amended, and Section 213.7 of Regulation M, 12 C.F.R. § 213.7, as amended.

II. Martin

A. FTC Act Violations—Lease Advertising

1. Misrepresentation of Advertised Transaction

Count I of the Martin complaint alleges that respondent's automobile lease advertisements represent that consumers can purchase the advertised vehicles by financing the vehicles though credit at the monthly payment amounts prominently stated in the advertisements. This representation is false, according to the complaint, because the monthly payment amounts stated in respondent's lease advertisements are components of lease offers and not credit offers. Count I, therefore, alleges that respondent's practices constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act.

2. Misrepresentation of Inception Fees

Count II of the Martin complaint alleges that Martin's automobile lease advertisements represent that a particular amount stated as ''down'' or ''cash or trade down'' is the total amount consumers must pay at lease inception to lease the advertised vehicles. According to the complaint, this representation is false because consumers must pay additional fees at lease inception beyond the amount stated as ''down'' or ''cash or trade down,'' such as a security deposit, first month's payment, and/or an acquisition fee, to lease the advertised vehicles. Count II alleges that these practices constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act.

3. Failure to Disclose Adequately that Transaction Advertised in a Lease

Count III of the Martin complaint further alleges that respondent, in lease advertisements, represents that consumers can purchase the advertised vehicles for the monthly payment amounts prominently stated in the advertisements. The advertisements allegedly do not adequately disclose that each advertised monthly payment amount is a component of a lease offer. The complaint alleges that the existence of this additional information would be material to consumers in deciding whether to visit the dealership named in the advertisements and/or whether to lease or purchase an automobile from the dealership. Count III, therefore, alleges that the failure to disclose adequately this additional information, in light of the representation made, was, and is, a deceptive practice in violation of Section 5 of the FTC Act.

4. Failure to Disclose Adequately Inception Fees

Count IV of the Martin complaint alleges that Martin represents in lease advertisements that consumers can lease the advertised vehicles at the terms prominently stated in the advertisements, including but not necessarily limited to the monthly payment amount and/or amount stated as ''down'' or ''cash or trade down.'' Like the Chrysler and Bozell complaints, the Martin complaint alleges that Martin's lease advertisements do not adequately disclose additional material terms pertaining to the lease, such as the total

amount due at lease inception. The failure to disclose these additional terms, according to the complaint, was, and is, a deceptive practice in violation of the FTC Act.

The complaint alleges that Martin knew or should have known that the alleged misrepresentations and failure to disclose adequately material terms was, and is deceptive. These practices, according to the complaint, constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act.

B. CLA and Regulation M Violations

Count V of the Martin complaint alleges that respondent Martin's lease advertisements state a monthly payment amount, the number of required payments, and/or an amount ''down.'' Respondent Martin's advertisements, however, allegedly omit or fail to clearly and conspicuously disclose certain additional terms required by the CLA and Regulation M. Martin's radio lease advertisements, for example, allegedly contain none of the required lease disclosures or rapidly state the disclosures at the end of the advertisements. The complaint, therefore, alleges that respondent Martin's failure to disclose lease terms in a clear and conspicuous manner violates the CLA and Regulation M.

C. FTC Act Violations—Credit Advertising

1. Misrepresentation in Credit Advertising

Count VI of the Martin complaint further alleges that respondent Martin's credit advertisements represent that consumers can purchase the advertised vehicles at the terms prominently stated in the ad, such as a low monthly payment and/or a low amount ''down.'' This representation is false, according to the complaint, because consumers must also pay a final balloon payment of several thousand dollars, in addition to the monthly payment and/or amount down, to purchase the advertised vehicles. The complaint alleges that Martin knew or should have known that this representation was false or misleading. Accordingly, Count VI alleges that these practices dilate Section 5(a) of the FTC Act.

2. Failure to Disclose Adequately in Credit Advertising

Count VII of the Martin complaint alleges that Martin knew or should have known that the failure to disclose adequately in its credit advertisements additional terms pertaining to the credit offer, including the existence of a final ballon payment of several thousand dollars and the annual percentage rate, was deceptive. These practices, according to the complaint, constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act.

D. TILA and Regulation Z Violations

1. Failure to State Rate of Finance Charge as Annual Percentage Rate

The Martin complaint alleges in Count VIII that respondent Martin's credit advertisements state a rate of finance charge without stating the rate as an ''annual percentage rate,'' using that term or the abbreviation ''APR.'' According to the complaint, these practices constitute a violation of Section 144 and 107 of the TILA, 15 U.S.C. §§ 1664 and 1606, respectively, and Sections 226.24(b) and 226.22 of Regulation Z, 12 C.F.R. § 226.24(b) and 226.22, respectively.

2. Failure to Disclose Required Information Clearly and Conspicuously

The complaint further alleges in Count IX that Martin's credit advertisements fail to disclose required credit terms in a clear and conspicuous manner, as required by the TILA and Regulation Z. According to the complaint, respondent's televeision advertisements contain credit disclosures that are not clear and conspicuous because they appear on the screen in small type, against a background of similar shade, for a very short duration, and/or over a moving background. The complaint, therefore, alleges that these practices violate Section 144 of the TILA, 15 U.S.C. § 1664, as amended, and Section 226.24(c) of Regulation Z, 12 C.F.R. § 226.24(c), as amended.

III. Proposed Consent Orders

The proposed consent orders contain provisions designed to remedy the violations charged and to prevent respondents from engaging in similar acts and practices in the future. Specifically, subparagraph I.A. of the Chrysler and Bozell proposed orders prohibits these respondents form misrepresenting the vehicle model(s) available to consumers in connection with any advertised lease offer. Subparagraph I.A. of the proposed Martin order prohibits Martin, in any motor vehicle lease advertisement, from misrepresenting that any advertised lease terms pertain to a cash or credit offer.

Subparagraph I.B. of the proposed orders prohibits respondents from misrepresenting the total amount due at lease signing or delivery, the amount down, and/or the downpayment, capitalized cost reduction, or other amount that reduces the capitalized cost of the vehicle (or that no such amount is required). Additionally, subparagraph I.C. of the proposed orders prohibits respondents, in any motor vehicle lease advertisement, from making any reference to any charge that is part of the total amount due at lease signing or delivery or that no such amount is due, not including a statement of the periodic payment, more prominently than the disclosure of the total amount due at lease inception. The ''prominence'' requirement prohibits respondents from running deceptive advertisements that highlight low amounts ''down,'' with inadequate disclosures of actual total inception fees. This ''prominence'' requirement for lease inception fees also is found in Regulation M.

Moreover, subparagraph I.D. of the proposed orders prohibits respondents, in any motor vehicle lease advertisement, form stating the amount of any payment, or that any or not initial payment is required at consummation of the lease, unless the advertisement also states, clearly and conspicuously, all of the terms required by Regulation M, as follows: (1) that the transaction advertised is a lease; (2) the total amount due at lease signing or delivery; (3) whether or not a security deposit is required; (4) the number, amount, and timing of scheduled payments; and (5) that an extra charge may be imposed at the end of the lease term where the liability of the consumer at lease end is based on the anticipated residual value of the vehicle.

Subparagraph II.A of the proposed Martin order prohibits respondent Martin, in any closed-end credit advertisement involving motor vehicles, from misrepresenting the existence and amount of any balloon payment or the annual percentage rate; subparagraph II.B also prohibits respondent Martin from stating the amount of any payment, including but not limited to any monthly payment, in any motor vehicle closed-end credit advertisement unless the amount of any balloon payment is disclosed prominently and in close proximity to the most prominent of the above statements.

Furthermore, subparagraph II.C of the proposed Martin order also enjoins respondent from stating a rate of finance charge without stating the rate as an ''annual percentage rate'' or using the abbreviation ''APR''. Additionally, subparagraph II.D of the proposed Martin order enjoins respondent from disseminating motor vehicle closed-end credit advertisements that state the amount or percentage of any downpayment, the number of payments or period of repayment, the amount of

any periodic payment, including but not limited to the monthly payment, or the amount of any finance charge without disclosing, clearly and conspicuously, all of the terms required by Regulation Z, as follows: (1) the amount or percentage of the downpayment; (2) the terms of repayment, including but not limited to the amount of any balloon payment; and (3) the correct annual percentage rate, using that term or the abbreviation ''APR,'' as defined in Regulation Z and the Official Staff Commentary to Regulation Z. If the annual percentage rate may be increased after consummation of the credit transaction, that fact must also be clearly and conspicuously disclosed.

The information required by subparagraphs I.D. (lease advertisements) and II.D (credit advertisements) of the proposed orders must be disclosed ''clearly and conspicuously'' as defined in the proposed orders. The ''clear and conspicuous'' definition requires respondents to present such lease or credit information,as applicable, within the advertisement in a manner that is readable (or audible) and understandable to a reasonable consumer. This definition is consistent with the ''clear and conspicuous'' requirement for advertising disclosures in Regulation M and Regulation Z that require disclosure that consumers can see and read (or hear) and comprehend. Is is also consistent with prior Commission orders and statements interpreting Section 5 to require that advertising disclosures be readable (or audible) and understandable to reasonable consumers.

The purpose of this analysis is to facilitate public comment on the proposed orders. It is not intended to constitute an official interpretation of the agreements and proposed orders or to modify in any way their terms.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 98–28400 Filed 10–21–98; 8:45 am]

BILLING CODE 6750–01–M

FEDERAL TRADE COMMISSION

[File No. 9810161]

Lafarge Corporation; Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before December 21, 1998.

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: Joe Lipinsky or Patricia Hensley, Seattle Regional Office, Federal Trade Commission, 915 Second Avenue, Suite 2896, Seattle, WA. 98174, (206) 220–6350.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and Section 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 complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for October 16, 1998), on the World Wide Web, at ''http://www.ftc.gov/os/actions97.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 Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

Analysis to Aid Public Comment on the Proposed Consent Order

The Federal Trade Commission (''Commission'') has accepted for public comment an agreement containing a proposed Consent Order from Lafarge, S.A., and Lafarge Corporation (collectively ''Lafarge''), which is designed to remedy the anticompetitive effects resulting from Lafarge's acquisition of Holnam, Inc.'s (''Holnam''), Seattle Washington, cement plant and related assets. Under the terms of the consent agreement, Lafarge's purchase price for Holnam's assets cannot be affected by the quantity of cement produced or sold by Lafarge in any market in the states of Washington or Oregon.

The agreement containing the proposed Consent Order has been placed on the public record for 60 days so that the Commission may receive comments from interested persons. Comments received during this period will become part of the public record. After 60 days, the Commission will again review the proposed Consent Order and the comments received, and will decide whether it should withdraw from the proposed Consent Order or make final the proposed Order.

On February 4, 1998, Lafarge and Holnam signed a Letter of Intent setting out the principal elements of a proposed transaction, whereby Lafarge would acquire Holnam's Seattle cement plant and related assets. According to the Commission's draft complaint that the Commission intends to issue, the acquisition, if consummated, may substantially lessen competition in the portland cement market in the Puget Sound area of the state of Washington, and would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45.

Lafarge and Holnam, along with Lone Star Northwest, Ash Grove Cement Company and CBR Cement Corp., sell portland cement in the Puget Sound area. Portland cement, the essential binding ingredient in concrete, is a construction raw material that users mix with water and aggregates (crushed stone, sand, or gravel) to form concrete. Portland cement is a closely controlled chemical combination of calcium (normally from limestone), silicon, aluminum, iron and small amounts of other ingredients. It is made by quarrying, crushing and grinding the raw materials, burning them in huge kilns at extremely high temperatures and grinding the resulting marble-size pellets (called ''clinker'') with gypsum into an extremely fine, usually gray, powder. Portland cement produced by one manufacturer is virtually indistinguishable from that manufactured by another.

The Puget Sound area of the state of Washington consists of the portion of Washington state south from the Canadian border to the area just south of the state capital of Olympia (roughly halfway between Seattle and Portland, Oregon) and east from the Pacific Ocean to the Cascade mountains, plus two adjacent counties just east of the