

Waldorf, Maryland. Community Bank of Tri-County is the proposed successor by charter conversion to Tri-County Federal Savings Bank of Waldorf, Waldorf, Maryland.

B. Federal Reserve Bank of Chicago (James A. Bluemle, Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1413:

1. *AliKat Investments, Inc.*, Gurnee, Illinois; to become a bank holding company by acquiring 100 percent of the voting shares of NorthSide Community Bank, Gurnee, Illinois, a *de novo* bank.

Board of Governors of the Federal Reserve System, January 31, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 97-2863 Filed 2-4-97; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL TRADE COMMISSION

[File No. 952-3401]

1554 Corp.; Brainerd L. Mellinger, III; 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 Woodland Hills, California-based company and its president from making unsubstantiated earnings claims and from using deceptive testimonials. The Commission had alleged that 1554 and Mellinger advertised a work-at-home course, called "Mellinger World Trade Mail Order Plan," in an infomercial which contained deceptive and misleading claims.

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, D.C. 20580.

FOR FURTHER INFORMATION CONTACT:

Justin Dingfelder, Federal Trade Commission, S-4302, 6th and Pennsylvania Ave, NW, Washington, DC 20580. (202) 326-3017.

Jonathan Cowen, Federal Trade Commission, S-4302, 6th and Pennsylvania Ave, NW, Washington, DC 20580. (202) 326-2533.

Lemuel Dowdy, Federal Trade Commission, S-4302, 6th and Pennsylvania Ave, NW, Washington, DC 20580. (202) 326-2981.

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 27, 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, subject to final approval, an agreement to a proposed consent order from 1554 Corporation and its president Brainerd L. Mellinger, III (collectively, "respondents"). The agreement would settle a proposed complaint by the Federal Trade Commission that respondents engaged in unfair or deceptive acts or practices in violation of section 5(a) 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.

The Proposed Complaint

This matter concerns advertising practices related to the sale of 1554 Corporation's Mellinger World Trade Mail Order Plan ("Mellinger Plan"). The administrative complaint, which the Commission has proposed to issue, would allege that respondents promoted

the sale of the Mellinger Plan by creating and disseminating advertisements and promotional materials, including a program-length television advertisement entitled "Mellinger's Secret Treasures."

The complaint charges that through the use of statements contained in their advertisements and promotional materials, respondents made unsubstantiated representations that consumers who use the Mellinger plan typically succeed in readily starting and operating profitable businesses and that consumers who use the Mellinger Plan typically earn substantial income. The complaint also charges that endorsements appearing in respondents' advertisements and promotional materials were represented, without substantiation, to be reflective of the typical or ordinary experience of members of the public who have used the Mellinger Plan.

The Proposed Order

The proposed consent order contains provisions that are designed to remedy the alleged advertising violations and to prevent respondents from engaging in similar acts and practices in the future. The order prohibits respondents from making any unsubstantiated representations: (1) that consumers who use the Mellinger plan typically succeed in readily starting and operating profitable businesses, (2) that consumers who use the Mellinger Plan typically earn substantial income, or (3) about the performance, benefits, efficacy or success rate of any product or service concerning business opportunities.

The proposed order also contains prohibitions about using or misusing testimonials or endorsements. In particular, the order prohibits respondents from using testimonials that do not reflect the actual opinions, beliefs, or experiences of the endorser, and from using testimonials to represent the typical experience of respondents' customers unless respondents can substantiate that such claims are in fact typical or respondents clearly disclose that the endorser's experience is not typical. The order also contains standard provisions regarding record-keeping, notification of changes in corporate or employment status, distribution of the order, termination of the order, and the filing of a compliance report.

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 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