

these toys can move and operate in various ways unaided. According to the complaint, the television advertisements and packaging for the motorized helicopter, the "Formula 1" race car, the "Off Road Super Sport" vehicle, the "Sand Buggy" vehicle, the "Harley-Davidson® Electra Glide" motorcycle, the "Hypersonic Fighter" plane, the "Dozer" vehicle, and the "Dump Truck" vehicle represented that the demonstrations of these toys flying, driving, or moving in the manners depicted in the ads were unaltered and that the results shown accurately represent the performance of the actual, unaltered toys under the depicted conditions. This representation is alleged to be false and misleading. According to the complaint, these toys were suspended, pulled, and/or guided by monofilament wires, or a black tube recessed out of view from the camera, held by humans off camera to create the advertised effects. In the case of the motorized helicopter, the rotors were also spun manually by humans off camera to create the effect of motorized spinning.

The complaint also alleges that the respondents falsely represented that the above-listed toys can perform by flying, driving, or moving in the manners depicted.

The complaint also alleges that the respondents falsely represented that the Steel Tec Off Road Super Sport vehicle, Sand Buggy vehicle, Harley-Davidson® Electra Glide motorcycle, Dozer vehicle, and Dump Truck vehicle can be used on dirt, sand, and similar surfaces. According to the complaint, the "Helpful Hints Manual" accompanying these products warns against using the toys on these surfaces to avoid damage to the toys.

The complaint also alleges that the packaging for the challenged Steel Tec toy sets misrepresented that each package contains the number of parts required to build the number of toys depicted on the package at the same time.

The proposed consent order contains provisions designed to remedy the violations charged and to prevent the respondents from engaging in similar acts and practices in the future.

Part IA of the order prohibits the respondents from misrepresenting that an advertised demonstration, picture, experiment or test proves, demonstrates or confirms any material quality, feature or merit of any toy. Part IA enumerates examples of such misrepresentations, including: (1) the undisclosed use or substitution of a material mock-up or prop; (2) the undisclosed material alteration in a material characteristic of

the advertised toy or any other material prop or device depicted in the advertisement; or (3) the undisclosed use of a visual perspective or camera, film, audio or video technique. Part IA also states that the order does not preclude the use of fantasy segments or prototypes which are otherwise not deceptive. Part IB prohibits the respondents from misrepresenting any performance characteristic of any toy. Part IC prohibits the respondents from misrepresenting the number of toys contained in, or that can be constructed with the parts contained in, the package.

Part II requires the respondents to maintain certain records and materials relating to future representations covered by the order.

Part III sets forth a consumer redress program through which purchasers of the Steel Tec toys at issue in this matter may obtain a refund of the price of the toy(s) plus postage upon return of the toy(s) to the company. The respondents are required to mail an explanatory letter and refund application to all purchaser names known to them and to any others that contact them within one hundred twenty (120) days after the order is issued.

Part IV requires the respondents to send a letter to each television station that aired any of the challenged advertisements notifying those stations that Azrak-Hamway has entered into a consent agreement with the Commission, and referring those stations to the availability of the Guidelines for Children's Advertising published by the Children's Advertising Review Unit of the Council of Better Business Bureaus, Inc.

Parts V through VII and IX relate to the respondents' obligations to provide copies of the order to certain Azrak-Hamway officers and personnel; to notify the Commission of changes in corporate structure, or, in the case of the individuals, changes in employment; and to file compliance reports with the Commission. Part VIII provides that the order will terminate after twenty years under certain circumstances.

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 or to modify in any way their terms.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 96-4007 Filed 2-21-96; 8:45 am]

BILLING CODE 6750-01-M

[File No. 961 0018]

Hughes Danbury Optical Systems, Inc., Hughes Electronics Corporation, General Motors Corporation; Consent Agreement With Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Consent Agreement.

SUMMARY: This Consent Agreement, accepted subject to final Commission approval, settles alleged violations of federal law prohibiting unfair or deceptive acts or practices and unfair methods of competition arising from the purchase of the business and selected assets of the Itek Optical Systems Division of Litton Industries by Hughes Danbury Optical Systems, Inc. ("HDOS"). The proposed complaint alleges that the acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, and Section 5 of the Federal Trade Commission Act, as amended, in the market for the research, development, manufacture and sale of an Airborne Laser ("ABL") system for use in the U.S. Air Force's ABL program. The ABL program currently envisions developing an ABL system that would utilize a customized 747 aircraft to fly at high altitudes near the forward edge of a battle area to locate and destroy incoming short-range ballistic missiles. Two teams—with The Boeing Company and Rockwell International Corporation as the primary contractors—have been awarded contracts to develop a concept design for an ABL demonstrator. The proposed consent order would, among other things, prohibit the respondents from enforcing the exclusivity provisions contained in a teaming agreement—between HDOS and Xinetics, Inc.—so that Xinetics will be free to supply the Boeing team with deformable mirrors for the ABL program. The respondents have also entered into an Interim Agreement with the Commission in which they agreed to be bound by the proposed consent order as of February 9, 1996.

DATES: Comments must be received on or before April 22, 1996.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room H-159, Sixth Street and Pennsylvania Avenue, NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: William J. Baer, FTC/H-374, Washington, DC 20580 (202) 326-2932; or Ann B. Malester, FTC/S-2308, Washington, DC 20580 (202) 326-2682.

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 following 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. 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)).

Agreement Containing Consent Order

The Federal Trade Commission ("the Commission"), having initiated an investigation of the acquisition of the Itek Optical Systems Division of Litton Systems, Incorporated ("Itek"), by Hughes Danbury Optical Systems, Incorporated ("HDOS"), which is a wholly-owned subsidiary of Hughes Aircraft Company, which is a wholly-owned subsidiary of Hughes Electronics Corporation ("Hughes"), which is a wholly-owned subsidiary of General Motors Corporation ("GM"), and it now appears that HDOS, Hughes and GM, hereinafter sometimes referred to as proposed respondents, are willing to enter into an agreement containing an order to refrain from certain acts and providing for other relief:

It is hereby agreed by and between proposed respondents, by their duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed respondent HDOS is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 100 Wooster Road, Danbury, Connecticut 06810.

2. Proposed respondent Hughes is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 7200 Hughes Terrace, Los Angeles, California 90045.

3. Proposed respondent GM is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 3044 W. Grand Blvd., Detroit, Michigan 48202.

4. Proposed respondents admit all the jurisdictional facts set forth in the draft of complaint here attached.

5. Proposed respondents waive:

a. Any further procedural steps;

b. The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law;

c. All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement; and

d. Any claim under the Equal Access to Justice Act.

6. Proposed respondents shall submit within thirty (30) days of the date this agreement is signed by proposed respondents an initial report, pursuant to Section 2.33 of the Commission's Rules, signed by the proposed respondents setting forth in detail the manner in which the proposed respondents will comply with Paragraph II and Paragraph III of the order when and if entered. Such report will not become part of the public record unless and until the accompanying agreement and order are accepted by the Commission.

7. This agreement shall not become a part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission it, together with the draft of complaint contemplated thereby, will be placed on the public record for a period of sixty (60) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify proposed respondents, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision, in disposition of the proceeding.

8. This agreement is for settlement purposes only and does not constitute an admission by proposed respondents that the law has been violated as alleged in the draft of complaint here attached, or that the facts as alleged in the draft complaint, other than jurisdictional facts, are true.

9. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to proposed respondents, (1) issue its complaint corresponding in form and substance with the draft of complaint here attached and its decision containing the following order to refrain from certain acts in disposition of the proceeding, and (2) make information public with respect thereto. When so entered, the order shall have the same force and

effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery by the U.S. Postal Service of the complaint and decision containing the agreed-to order to proposed respondents' addresses as stated in this agreement shall constitute service. Proposed respondents waive any right they may have to any other manner of service. The complaint may be used in construing the terms of the order, and no agreement, understanding, representation or interpretation not contained in the order or the agreement may be used to vary or contradict the terms of the order.

10. Proposed respondents have read the draft of complaint and order contemplated hereby. Proposed respondents understand that once the order has been issued, they will be required to file one or more compliance reports showing that they have fully complied with the order. Proposed respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the order after it becomes final.

Order

I

It is ordered that, as used in this order, the following definitions shall apply:

A. "HDOS" means Hughes Danbury Optical Systems, Inc., its officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, divisions, groups and affiliates controlled by HDOS, and the respective officers, employees, agents, and representatives, successors and assigns of each.

B. "Hughes" means Hughes Electronics Corporation, its officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, divisions, groups and affiliates controlled by Hughes, and the respective officers, employees, agents, and representatives, successors and assigns of each.

C. "GM" means General Motors Corporation, its officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, divisions, groups and affiliates controlled by GM, and the respective officers, employees, agents, and representatives, successors and assigns of each.

D. "Itek" means Itek Optical Systems Division of Litton Systems, Incorporated, its officers, employees, agents and representatives,

predecessors, successors, and assigns; its subsidiaries, divisions, groups and affiliates controlled by Itek, and the respective officers, employees, agents, and representatives, successors and assigns of each.

E. "Respondents" means HDOS, Hughes and GM.

F. "Commission" means the Federal Trade Commission.

G. "Xinetics" means Xinetics Incorporated, a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its office and principal place of business located at 410 Great Road #A6, Littleton, Massachusetts 01460.

H. "Person" means any natural person, corporate entity, partnership, association, joint venture, government entity, trust or other business or legal entity.

I. "HDOS/Xinetics Letter of Intent" means the Letter of Intent entered into on September 21, 1995, between HDOS and Xinetics in which HDOS expresses its intention to use Xinetics as a supplier of any Deformable Mirror which may be required for the Phillips Laboratory Airborne Laser Program.

J. "Phillips Laboratory Airborne Laser Program" is a United States Air Force Advanced Technology Demonstration program to develop and then demonstrate the necessary technologies to acquire, track, and destroy theater ballistic missiles during the boost phase of flight.

K. "Non-Public ABL Information" means any information not in the public domain received or developed by Itek in its capacity as a subcontractor to Lockheed Martin Corporation for the Phillips Laboratory Airborne Laser Program. Non-Public ABL Information shall not include: (i) information which subsequently falls within the public domain through no violation of this order by Respondents, or (ii) information which subsequently becomes known to Respondents not in breach of a confidential disclosure agreement.

II

It is further ordered that Respondents shall not enforce or attempt to enforce any provision contained in the HDOS/Xinetics Letter of Intent, or take any other action, that would inhibit Xinetics from teaming or otherwise contracting with any other person for the purpose of bidding on, designing, developing, manufacturing, or supplying any part of the Phillips Laboratory Airborne Laser Program.

III

It is further ordered that:

A. Respondents shall not receive, gain access to or in any manner obtain any Non-Public ABL Information without the express written permission of Lockheed Martin Corporation.

B. Upon request from Lockheed Martin Corporation, Respondents shall provide to Lockheed Martin Corporation any Non-Public ABL Information in a timely fashion not to exceed seven (7) days from the receipt of such request. Respondents may require payment for their own direct costs in providing such information.

IV

It is further ordered that Respondents shall comply with all terms of the Interim Agreement, attached to this order and made a part hereof as Appendix I.

V

It is further ordered that within sixty (60) days of the date this order becomes final and every sixty days thereafter for the first year after this order becomes final, and at such other times as the Commission may require, Respondents shall file a verified written report with the Commission setting forth in detail the manner and form in which they have complied and are complying with this order. Respondents shall include in their compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with Paragraph II and Paragraph III of the order. Respondents shall include in their compliance reports copies of all written communications, all internal memoranda, and all reports and recommendations concerning compliance with the provisions in Paragraph II and Paragraph III of the order.

VI

It is further ordered that Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate Respondents, such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporate Respondents that may affect compliance obligations arising out of the order.

VII

It is further ordered that, for the purpose of determining or securing compliance with this order, Respondents shall permit any duly

authorized representative of the Commission:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of any Respondent relating to any matters contained in this order; and

B. Upon five (5) days' notice to any Respondent without restraint or interference from it, to interview officers, directors, or employees of that Respondent, who may have counsel present, regarding such matters.

Interim Agreement

This Interim Agreement is by and between Hughes Danbury Optical Systems, Incorporated ("HDOS"), Hughes Electronics Corporation ("Hughes"), and General Motors Corporation ("GM"), three corporations organized and existing under the laws of the State of Delaware (collectively referred to as "Proposed Respondents"), and the Federal Trade Commission (the "Commission"), an independent agency of the United States Government, established under the Federal Trade Commission Act of 1914, 15 U.S.C. § 41, *et seq.* (collectively, the "Parties").

Premises

Whereas, HDOS has proposed to acquire the Itek Optical Systems Division of Litton Systems, Incorporated ("Itek"); and

Whereas, the Commission is now investigating the proposed acquisition to determine if it would violate any of the statutes the Commission enforces; and

Whereas, if the Commission accepts the Agreement Containing Consent Order ("Consent Agreement"), the Commission will place it on the public record for a period of at least sixty (60) days and subsequently may either withdraw such acceptance or issue and serve its Complaint and decision in disposition of the proceeding pursuant to the provisions of Section 2.34 of the Commission's Rules; and

Whereas, the Commission is concerned that if an understanding is not reached, preserving competition during the period prior to the final acceptance of the Consent Agreement by the Commission (after the 60-day public notice period), there may be interim competitive harm and divestiture or other relief resulting from a proceeding challenging the legality of the proposed acquisition might not be possible, or might be less than an effective remedy; and

Whereas, Proposed Respondents entering into this Interim Agreement shall in no way be construed as an admission by Proposed Respondents that the proposed acquisition constitutes a violation of any statute; and

Whereas, Proposed Respondents understand that no act or transaction contemplated by this Interim Agreement shall be deemed immune or exempt from the provisions of the antitrust laws or the Federal Trade Commission Act by reason of anything contained in this Interim Agreement.

Now, therefore, the Parties agree, upon the understanding that the Commission has not yet determined whether the proposed acquisition will be challenged, and in consideration of the Commission's agreement that, at the time it accepts the Consent Agreement for public comment, it will grant early termination of the Hart-Scott-Rodino waiting period, as follows:

1. Proposed Respondents agree to execute and be bound by the terms of the Order contained in the Consent Agreement, as if it were final, from the date the Consent Agreement is accepted for public comment by the Commission.

2. Proposed Respondents agree to deliver within three (3) days of the date the Consent Agreement is accepted for public comment by the Commission, a copy of the Consent Agreement and a copy of this Interim Agreement to the United States Department of Defense, The Boeing Company, Lockheed Martin Corporation and Xinetics Incorporated.

3. Proposed Respondents agree to submit within thirty (30) days of the date the Consent Agreement is signed by the Proposed Respondents, an initial report, pursuant to Section 2.33 of the Commission's Rules, signed by the Proposed Respondents setting forth in detail the manner in which the Proposed Respondents will comply with Paragraph II and Paragraph III of the Consent Agreement.

4. Proposed Respondents agree that, from the date the Consent Agreement is accepted for public comment by the Commission until the first of the dates listed in subparagraphs 4.a and 4.b, they will comply with the provisions of this Interim Agreement:

a. Ten (10) business days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Section 2.34 of the Commission's Rules;

b. The date the Commission issues its Complaint and Decision and Order.

5. Proposed Respondents waive all rights to contest the validity of this Interim Agreement.

6. For the purpose of determining or securing compliance with this Interim Agreement, Proposed Respondents shall permit any duly authorized representative of the Commission:

a. Access during office hours and in the presence of counsel to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of any Proposed Respondent relating to any matters contained in this Interim Agreement; and

b. Upon five (5) days' notice to any Proposed Respondent and without restraint or interference from it, to interview officers, directors, or employees of that Proposed Respondent, who may have counsel present, regarding any such matters.

7. This Interim Agreement shall not be binding until accepted by the Commission.

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an agreement containing a proposed Consent Order from General Motors Corporation, Hughes Electronics Corporation ("Hughes"), and Hughes Danbury Optical Systems, Inc. ("HDOS"), collectively referred to as "respondents." The proposed Consent Order prohibits respondents from enforcing exclusivity provisions in a teaming agreement between HDOS and Xinetics Incorporated for the U.S. Air Force's Airborne Laser ("ABL") program. In addition, the proposed Consent Order prohibits respondents from obtaining information not in the public domain developed or obtained by the Itek Optical Systems Division of Litton Systems, Inc., in its capacity as a member of the Boeing-Lockheed Martin team for the ABL program without the express written permission of Lockheed Martin Corporation.

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.

On September 26, 1995, HDOS entered into a letter of intent to purchase the business and selected assets of the Itek Optical Systems Division of Litton Industries, Inc. ("Itek"). The proposed complaint alleges that the acquisition, if

consummated, 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, in the market for the research, development, manufacture and sale of an Airborne Laser system for use in the U.S. Air Force's Airborne Laser program.

The Airborne Laser program is the premier anti-missile program in the Department of Defense's Theater Missile Defense System. As currently envisioned, the ABL system will utilize a customized 747 aircraft to fly at high altitudes near the forward edge of a battle area to locate and destroy incoming short-range ballistic missiles. The ABL system would intercept an enemy missile during its launch or boost phase by focusing a high energy laser beam on the missile's fuel tank to rupture the tank and destroy the missile. Destruction of the missile during launch would cause the warhead to fall on enemy territory. If the ABL system works as planned, an enemy could find it impossible to launch its missiles for fear of contaminating its own territory with nuclear, chemical or biological warheads.

The ABL program is currently in the Demonstrator Concept Design phase (Phase I). Two teams have each been awarded \$21.4 million contracts to develop a concept design for an ABL demonstrator. The prime contractors for the two teams are The Boeing Company ("Boeing") and Rockwell International Corporation ("Rockwell"). The Air Force plans to release the Request For Proposal ("RFP") for the building of an ABL demonstrator (Phase II) in May 1996. In January 1997, one of the two teams will be awarded \$700 million to build the Phase II ABL demonstrator based on its Phase I design.

Both Hughes and Itek are participating in the ABL program. Hughes is exclusively teamed with Rockwell. Itek is a member of the Boeing team through an exclusive teaming agreement with Lockheed Martin. Both Hughes and Itek are responsible for designing and supplying an adaptive optics system for their respective teams.

Both teams will utilize an adaptive optics system as a part of their ABL demonstrator design to improve the accuracy and intensity of the ABL's laser beam. Adaptive optics systems compensate for distortions in light waves caused by atmospheric turbulence by recording and comparing wavefront characteristics and feeding this information to an array of deformable mirrors. A deformable mirror is a thin, flexible mirror

equipped with electromechanical actuators. The mirror's actuators respond to an electrical signal from a computer and alter the mirror's shape to counteract the distortions of the atmosphere. Deformable mirrors are critical to the effective functioning of the adaptive optics system.

There are only two viable manufacturers of deformable mirrors for the ABL, Itek and Xinetics. Itek has exclusively contracted with Lockheed Martin to supply deformable mirrors to the Boeing team. Xinetics has exclusively contracted with Hughes to supply deformable mirrors to the Rockwell team.

The standard *Merger Guidelines* entry analysis utilizing a two year time period is not applicable to the ABL competition. The ABL Phase I concept design review is scheduled to occur in March 1996 and the bids for Phase II are expected to be due in July of 1996.

Therefore, the only viable entrants are firms with the current capability to supply deformable mirrors. Itek and Xinetics are the only firms that currently possess the expertise, personnel and facilities required to design and fabricate deformable mirrors.

Respondents' acquisition of Itek poses serious antitrust concerns. Following the acquisition, the Boeing-Lockheed Martin team would not be able to replace Hughes/Itek as the supplier of its deformable mirrors for the ABL competition. This would allow Hughes to: (1) increase the bid prices for the ABL competition by raising the price of the deformable mirrors on both teams; (2) decrease its investment in technology or quality on one or both teams' designs; and/or (3) gain access to competitively sensitive information relating to the Boeing team's technical design and cost for its entire adaptive optics system.

Under the proposed Consent Order, respondents are prohibited from enforcing the exclusivity provisions contained in Hughes's teaming agreement with Xinetics for the ABL program. Xinetics will be free to supply the Boeing team with deformable mirrors for the ABL program. This will ensure that the Boeing team will have an alternate source of deformable mirrors for the ABL competition. The purpose of this provision of the Consent Order is to constrain Hughes's ability to raise the price of both teams' bids or decrease its investment in technology or quality on one or both teams' designs for the ABL competition.

Under the proposed Consent Order, respondents are also prohibited from receiving, gaining access to, or obtaining in any manner, without Lockheed

Martin's approval, information not in the public domain that was developed or obtained by Itek in its capacity as a member of the Boeing team for the ABL program. The purpose of this provision of the Consent Order is to ensure that the Rockwell team will not have access to competitively sensitive information relating to the technical design and cost of the Boeing team's adaptive optics system for the ABL competition.

In order to preserve competition in the market for the research, development, manufacture and sale of an Airborne Laser system for use in the U.S. Air Force's Airborne Laser program during the period prior to the Commission's issuance of the Consent Order (after the 60-day public notice period), respondents have entered into an Interim Agreement with the Commission in which they agreed to be bound by the proposed Consent Order as of the date the Commission accepted the proposed Consent Order for public comment.

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

Donald S. Clark,
Secretary.

[FR Doc. 96-4005 Filed 2-21-95; 8:45 am]

BILLING CODE 6750-01-M

[File No. 952-3481]

Starwood Advertising, Inc., Les Towne; Consent Agreement With Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Consent Agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would bar the Aspen, Colorado-based advertising agency from using deceptive demonstrations and certain other misrepresentations in future advertising campaigns. The consent agreement settles allegations stemming from Starwood's advertising campaign for Azrak-Hamway International's line of Steel Tec toy vehicles.

DATES: Comments must be received on or before April 22, 1996.

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

FOR FURTHER INFORMATION CONTACT:

Toby Milgrom Levin, Federal Trade Commission, S-4002, 6th and Pennsylvania Avenue, NW, Washington, DC 20580. (202) 326-3156.

Joel Winston, Federal Trade Commission, S-4002, 6th and Pennsylvania Avenue, NW, Washington, DC 20580. (202) 326-3153.

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 following 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. 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)).

United States of America Before
Federal Trade Commission

In the Matter of: Starwood Advertising, Inc., a corporation, and Les Towne, individually and as an officer of said corporation. File No. 952 3481.

Agreement Containing Consent Order
To Cease and Desist

The Federal Trade Commission, having initiated an investigation of certain acts and practices of Starwood Advertising Inc., a corporation, and Les Towne, individually and as an officer of said corporation ("proposed respondents"), and it now appearing that proposed respondents are willing to enter into an agreement containing an order to cease and desist from the use of the acts and practices being investigated,

It is hereby agreed by and between Starwood Advertising, Inc., by its duly authorized officer, and Les Towne, individually and as an officer of said corporation, and their attorney, and counsel for the Federal Trade Commission that:

1. Proposed respondent Starwood Advertising, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Colorado, with its office and principal place of business located at 600 North Starwood Drive, Aspen, Colorado 81612.

Proposed respondent Les Towne is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said