Vice President) 250 Marquette Avenue, Minneapolis, Minnesota 55480:

1. Klein Bancorporation, Inc., Chaska, Minnesota; to directly engage *de novo* in providing data processing services, pursuant to § 225.25(b)(7) of the Board's Regulation Y. These activities will be conducted throughout the State of Minnesota.

Board of Governors of the Federal Reserve System, October 2, 1996.

Jennifer J. Johnson

Deputy Secretary of the Board

[FR Doc. 96–25752 Filed 10-7-96; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL TRADE COMMISSION

[File No. 961–0067]

Castle Harlan Partners, II, L.P.; 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 require, among other things, modification of the planned combination of two of the four major competitors in the class rings market. The settlement resolves allegations that the proposed purchase of the class ring businesses of both Town & Country Corporation and CJC Holdings, Inc. by Class Rings, Inc., which is owned by Castle Harlan, could have raised prices to the more than 1.6 million high school and college students who purchase commemorative class rings in this country every year, by giving one firm nearly 45 percent of all class rings sold and more than 90 percent of class rings sold in retail stores. Under the settlement, the merger no longer includes Town & Country's Gold Lance, Inc. class ring business, which will continue as an independent competitor.

DATES: Comments must be received on or before December 9, 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: William J. Baer, Federal Trade Commission, H–374, 6th and Pennsylvania Ave, NW., Washington, DC 20580. (202) 326–2932.

George Cary, Federal Trade Commission, H–374, 6th and Pennsylvania Ave, NW., Washington, DC 20580. (202) 326–3741.

Howard Morse, Federal Trade Commission, S–3627, 6th and Pennsylvania Ave, NW., Washington, DC 20580. (202) 326–2949.

Joseph G. Krauss, Federal Trade Commission, S–3627, 6th and Pennsylvania Ave, NW., Washington, DC 20580. (202) 326–2713.

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 accompanying complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home page, 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, N.W., Washington, D.C. 20580. 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 Provisionally Accepted Consent Order

The Federal Trade Commission (''the Commission'') has accepted for public comment an agreement containing a consent order with Class Rings, Inc., Castle Harlan Partners II, L.P. (''Castle Harlan''), and the Town & Country Corporation (''Town & Country''). This agreement has been placed on the public record for sixty days for reception of comments from interested persons.

Comments received during this period will become part of the public record. After sixty days, the Commission will again review the agreement and the comments received and will decide whether it should with draw from the agreement or make final the agreement's order.

The Commission's investigation of this matter concerns the proposed acquisition by Class Rings, Inc., a wholly owned subsidiary of Castle Harlan, of certain assets of Town & Country and CJC Holdings, Incorporated (''CJC''). The Commission's proposed complaint alleges that Town & Country and CJC are two of four major manufacturers of class rings in the United States.

The agreement containing consent order would, if finally accepted by the Commission, settle charges that the acquisitions may substantially lessen competition in the manufacture and sale of class rings in the United States. The Commission has reason to believe that the acquisitions and agreements violate Section 5 of the Federal Trade Commission Act and the acquisitions would have anticompetitive effects and would violate Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act if consummated, unless an effective remedy eliminates such anticompetitive effects.

The Commission's Complaint alleges that class rings are a uniquely American phenomenon and that class ring purchasers would not switch to other products even if prices for class rings increased significantly. The top four manufacturers of class rings—Jostens, Inc., CJC, Town & Country, and Herff Jones, Inc.—account for over 95% of all class rings sold. Moreover, CJC and Town & Country combined account for over 90% of class rings sold in retail jewelry stores and mass merchandisers. The Complaint further alleges that new entry into class rings or expansion by the fringe class ring manufacturers would not be timely or likely to deter or offset reductions in competition resulting from the proposed acquisitions. The Commission's Complaint alleges that the proposed acquisitions would lessen competition by eliminating competition between CJC and Town & Country, and would lead to higher prices.

The proposed order accepted for public comment contains provisions that would prohibit Class Rings, Inc., and Castle Harlan from Acquiring Gold Lance, Inc. (''Gold Lance''), a subsidiary of Town & Country. The purpose of this provision is to ensure the continuation of Gold Lance as an independent competitor in the manufacture and sale of class rings and to remedy the lessening of competition as alleged in the Commission's Complaint. In effect, this order is equivalent to an injunction preventing the acquisition of Gold Lance by Class Rings, Inc., and Castle Harlan, and keeps Gold Lance in the hands of Town & Country, a company well positioned to compete in the marketplace.

Moreover, the proposed order prohibits Class Rings, Inc., and Castle Harlan, for a period of ten years, from purchasing any interest in Town & Country or any assets from Town &

Country used for the design, manufacture, or sale of class rings without the prior approval of the Commission. The proposed order also prohibits Town & Country, for a period of ten years, from purchasing any interest in Castle Harlan or Class Rings, Inc., or any assets from Castle Harlan or Class Rings, Inc., used for the design, manufacture, or sale of class rings without the prior approval of the Commission. Town & Country, however, may purchase assets from Class Rings, Inc., or Castle Harlan totaling not more than $2 million in any twelve month period. The purpose of these provisions is to ensure that Class Rings, Inc. and Town & Country remain independent from each other, thereby fostering a competitive environment for the sale of class rings.

The proposed order also prohibits Castle Harlan and Class Rings, Inc., for a period of one year from the date this proposed order becomes final, from employing or seeking to employ any person who is or was employed at any time during calendar year 1996 by Gold Lance or Town & Country in the design, manufacture or sale of class rings. The purpose of this provision to ensure that Town & Country, through Gold Lance, remains a viable competitor in the manufacture and sale of class rings.

An interim agreement was also entered into by the parties and the Commission that requires Class Rings, Inc., Castle Harlan, and Town & Country to be bound by the terms of the proposed order, as if it were final, from the date that Class Rings, Inc. and Castle Harlan signed the proposed order.

The purpose of this analysis is to invite public comment concerning the proposed order. This analysis is not intended to constitute an official interpretation of the agreement and order or to modify their terms in any way.

Donald S. Clark,
Secretary.

Statement of Commissioner Mary L. Azcuenaga Concurring in Part and Dissenting in Part

In *Class Rings, Inc.*, File No. 961–0067

Today the Commission accepts for public comments a consent agreement resolving allegations that the proposed acquisitions by Class Rings, Inc., a newly created subsidiary of Castle Harlan Partners II, L.P., of certain assets of Town & Country Corp. (two subsidiaries, Gold Lance, Inc., and L.G. Balfour, Inc.) and CJC Holdings, Inc., would be unlawful. The proposed order prohibits the acquisition of Gold Lance.

I concur, except with respect to the prior approval provisions in Paragraphs III and IV of the proposed order, which are inconsistent with the ''Statement of Federal Trade Commission Policy Concerning Prior Approval and Prior Notice Provisions'' (''Prior Approval Policy Statement'' or ''Statement''). In its Statement, the Commission announced that it would ''rely on'' the Hart-Scott-Rodino premerger notification requirements in lieu of imposing prior approval or prior notice provisions in its orders. Although the Commission reserved its power to use prior approval or notice ''in certain limited circumstances,'' it cited only a single situation in which a prior approval clause might be appropriate, that is, ''where there is a credible risk that a company'' might attempt the same merger.

The complaint does not allege any facts showing a ''credible risk'' that the parties might attempt to acquire Gold Lance a second time. Nor am I aware of any reason to think that the parties have a concealed plan or intention to circumvent the order by doing so. Of course, as evidenced by their premerger notification report filed pursuant to the requirements of the Hart-Scott-Rodino Act, the parties wanted to acquire Gold Lance, but every merger case involves parties who want to combine firms or assets.

As I understand it, the primary reason for assuming that the parties will try again is that they seemed so much to want to consummate this transaction. The intensity of the parties' interest in a proposed transaction as perceived by the Commission (even assuming that we can distinguish between the vigor of their legal representation and the intensity of their own feelings) has no established predictive value of the likelihood that parties will again attempt a transaction now known to be viewed unfavorably by the FTC. In addition, the intensity of their feelings as perceived by the Commission is unlikely to result in an evenhanded selection of exceptions to our prior approval policy.

It also has been suggested that one reason for imposing a prior approval requirement is that the Commission is prohibiting the acquisition of Gold Lance, rather than allowing it subject to a divestiture requirement, under which the Commission supervises the divestiture. In fact, however, the choice of remedy is not predictive of the likelihood of recurrence. Once a divestiture has been accomplished, the Commission has no greater ability to deter a particular transaction than it will here.

I am most sympathetic to the concern that if the parties attempted to repeat the transaction in the future, the Commission might be faced with a significant duplicative expenditure of resources. That is one of the reasons I dissented from the Commission's Prior Approval Policy Statement. Dissenting Statement of Commissioner Mary L. Azcuyenaga on Decision to Abandon Prior Approval Requirements in Merger Orders, 4 CCH Trade Reg. Rep. ¶ 13,241 at 20,992 (1995). But given that we have the policy, it seems to me incumbent on the Commission either to live by it or to change it.[1]

[FR Doc. 96–25738 Filed 10–7–96; 8:45 am]
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[File No. 932–3297]

Telebrands Corp., Ajit Khubani; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: 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 among other things prohibit the Roanoke, Virginia-based mail and telephone order company—and an individual who is an officer and director of the company—from representing that the Sweda Power Antenna (a device purported to improve television and radio reception) provides the best, crispest, clearest or most focused television reception achievable without cable installation, and would require any claim about the relative or absolute performance, attributes, or effectiveness of any product intended to improve a television's or radio's reception, sound, or image to be truthful and supported by competent and reliable evidence. The consent agreement would also prohibit the respondents from making a number of false or unsubstantiated claims about the WhisperXL (a purportedly major breakthrough in sound enhancement technology). The consent agreement resolves allegations in an accompanying complaint that the respondents made unsubstantiated and false claims in advertising for the Sweda Power Antenna and the WhisperXL, and misrepresented a money-back guarantee with respect to the Sweda Power Antenna. A related federal district court decree will require the respondents to

[1] *See* Dissenting Statement of Commissioner Mary L. Azcuenaga in The Vons Companies, Inc., Docket No. C–3391 (May 24, 1996).