



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Competition

Mark D. Whitener
Deputy Director

OCT 21 1996

James Caparro, President
PolyGram Group Distribution
825 8th Avenue
New York, NY 10019-7472

Re: Prerecorded Music Distributing Industry
FTC File No. 931-0100

Dear Mr. Caparro:

The Commission has conducted an investigation involving PolyGram Group Distribution to determine whether members of the pre-recorded music distributing industry may be engaging or may have engaged in any unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended, and the Robinson-Patman Act, 15 U.S.C. § 13, as amended, by fixing prices or by limiting, engaging in concerted activities to limit, or engaging in conduct to facilitate concerted activities to limit the availability of cooperative advertising or promotional funds, allowances, services, or facilities to retailers who distribute used compact discs or advertise prices of compact discs below specified levels.

Upon further review of this matter, it now appears that no further action is warranted by the Commission at this time. Accordingly, the investigation has been closed. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark D. Whitener".

Mark D. Whitener
Deputy Director

cc: Steven A. Marenberg, Esq.
Irell & Manella
1800 Avenue of the Stars
Los Angeles, CA 90067-4276