

added cash services that the Federal Reserve Banks do not provide. For example, some private-sector service providers maintain automated teller machines for depository institutions and offer specific retail services for the depository institutions' customers. Therefore, it is unlikely that the policy will result in any significant shift to Federal Reserve cash services away from private-sector providers. The Board's policy, as revised, does not adversely affect the ability of depository institutions or service providers to compete with the Federal Reserve Banks to provide cash services.

V. Federal Reserve Cash Service Access Policy

The Board has adopted the following Federal Reserve cash access policy:

1. *Number of endpoints eligible for free cash access.* Each depository institution with a banking presence in a Federal Reserve office territory can designate up to ten offices in that territory to receive free cash access (deposit and order) service from the local Reserve Bank office.

Beyond the ten offices, Reserve Bank offices will provide free cash access to endpoints whose volumes exceed a specified threshold and that satisfy the local Reserve Bank office's denomination bundle standard. Each Reserve Bank office will set a "high bundle threshold," within the range of fifty to one hundred bundles, to accommodate the needs of the geographic area being serviced within that Federal Reserve office territory. If a depository institution receives free access for more than ten endpoints, all endpoints must meet the high bundle threshold.

2. *Frequency of access.* Normal free access for each designated office of the depository institution will be once per week. Access more frequent than once per week will be available free of charge to each designated office whose volume exceeds a twenty-bundle aggregate threshold and that satisfies the local Reserve Bank office's denomination bundle standard.

3. *Priced access.* Reserve Bank offices may choose to accommodate additional access where the demand exists subject to the constraints of the physical facilities at each Reserve Bank office. Reserve Banks must price access to cash services beyond the free service described above, if offered.

4. *Delegation of authority.* The Director of the Division of Reserve Bank Operations and Payment Systems, under delegated authority, may (1) approve changes in the base number of free endpoints and the volume thresholds;

and (2) waive the policy for a limited period if warranted by special circumstances, such as a natural disaster or the introduction of new currency.

By order of the Board of Governors of the Federal Reserve System.

Dated: April 24, 1996.
William W. Wiles,
Secretary of the Board.
[FR Doc. 96-10606 Filed 4-29-96; 8:45 am]
BILLING CODE 6210-01-P

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: Board of Governors of the Federal Reserve System.

TIME AND DATE: 11:00 a.m., Monday, May 6, 1996.

PLACE: Marriner S. Eccles Federal Reserve Board Building, C Street entrance between 20th and 21st Streets, N.W., Washington, D.C. 20551.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. Personnel actions (appointments, promotions, assignments, reassignments, and salary actions) involving individual Federal Reserve System employees.

2. Any items carried forward from a previously announced meeting.

CONTACT PERSON FOR MORE INFORMATION: Mr. Joseph R. Coyne, Assistant to the Board; (202) 452-3204. You may call (202) 452-3207, beginning at approximately 5 p.m. two business days before this meeting, for a recorded announcement of bank and bank holding company applications scheduled for the meeting.

Dated: April 26, 1996.
Jennifer J. Johnson,
Deputy Secretary of the Board.
[FR Doc. 96-10837 Filed 4-26-96; 2:54 pm]
BILLING CODE 6210-01-P

FEDERAL TRADE COMMISSION

[File No. 932-3331]

The May Department Stores Company; Proposed Consent Agreement With 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, the St. Louis-based company to cease unwarranted collection activity on

certain acquired credit card accounts, to correct the inaccurate or obsolete credit data it sent to credit reporting agencies about these accounts, and to take steps to ensure that the information maintained and reported with respect to the acquired accounts is accurate. May would also be prohibited from sending credit cards to consumers except: (1) In response to an oral or written request or application for the card, or (2) as a renewal of, or substitute for, an accepted credit card. The Consent Agreement settles allegations that, as an example, in converting its Thalheimer's customers' credit card accounts to Hecht's accounts, May's conversion process transferred obsolete derogatory information to the new accounts. The conversion process also allegedly led to the inaccurate reporting of payments and other negative data and to the initiation of collection activity against some customers.

DATES: Comments must be received on or before July 1, 1996.

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: David Medine, Federal Trade Commission, S-4429, 6th and Pennsylvania Ave., NW., Washington DC 20580. (202) 326-3224. Christopher Keller, Federal Trade Commission, S-4429, 6th and Pennsylvania Ave., NW., Washington, DC 20580. (202) 326-3159.

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 To Cease and Desist

The Federal Trade Commission having initiated an investigation of certain acts and practices of The May Department Stores Company, a corporation, ("May"), hereinafter sometimes referred to as proposed respondent, and it now appears that proposed respondent is 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 May, by its duly authorized officer, and its attorney, and counsel for the Federal Trade Commission that:

1. Proposed respondent May is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York. Respondent's office and principal place of business is located at 611 Olive Street, St. Louis, Missouri 63101.

2. Proposed respondent is now and has been regularly engaged in the practice of extending consumer credit pursuant to an open end credit plan involving a credit card, and in the practice of honoring that credit card. Hence, respondent is a creditor as defined in § 103(f) of the Truth in Lending Act ("TILA"), 15 U.S.C. § 1602(f).

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the proposed respondent, and the proceeding is in the public interest.

4. Proposed respondent admits all the jurisdictional facts set forth in the draft of complaint.

5. Proposed respondent waives:

(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 into pursuant to this agreement; and

(d) Any claim under the Equal Access to Justice Act, 5 U.S.C. § 50 *et seq.*

6. This agreement shall not become 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 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 the proposed respondent, 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.

7. This agreement is for settlement purposes only and does not constitute an admission by proposed respondent of facts, other than jurisdictional facts, or

of violations of law as alleged in the draft of complaint.

8. 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 § 2.34 of the Commission's Rules, the Commission may, without further notice to proposed respondent, (1) issue its complaint corresponding in form and substance with the draft of complaint and its decision containing the following order to cease and desist in disposition of the proceeding and (2) make information public with respect thereto. When so entered, the order to cease and desist 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 respondent's address as stated in this agreement shall constitute service. Proposed respondent waives any right it 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.

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

Order

Definitions

For the purpose of this Order the following definitions apply:

The terms "open and credit plan," "credit card," and "cardholder" are defined as set forth in §§ 103(i), (k), and (m), respectively, of the Truth in Lending Act ("TILA"), 15 U.S.C. §§ 1602(i), 1602(k), and 1602(m).

The term "consumer reporting agency" is defined as set forth in §§ 603(f) of the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. §§ 1681a(f).

"Fair Credit Billing Act" refers to Chapter 4, Credit Billing, 15 U.S.C. § 1666 *et seq.*, of the Consumer Credit Protection Act.

I

It is hereby ordered that respondent, The May Department Stores Company, a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporate subsidiary, division, or other device, do forthwith cease and desist from failing to follow reasonable procedures to assure the accuracy of the information that respondent maintains with respect to cardholder accounts that respondent has acquired or acquires from other retail sellers of consumer goods or services and that respondent provides to consumer reporting agencies, including but not limited to the accuracy of dates of relevant actions.

II

It is further ordered that, to the extent not already accomplished, within ninety (90) days of service of this Order, respondent, its successors and assigns, shall identify current cardholders on whom, since January 1, 1992, respondent has reported incorrectly to any consumer reporting agency derogatory information related solely to the cardholder's open end credit plan account with an acquired creditor. Respondent shall instruct each such consumer reporting agency, in writing, to remove or correct any such derogatory information.

III

It is further ordered that respondent, its successors and assigns, shall, after written notice from a consumer to its Bill Adjustment Department in accordance with the Fair Credit Billing Act of a failure by respondent accurately to ascribe charges, credits, payments, or other activity to the correct account, cease collection activity as to the disputed amount, either directly or through any third party, on any outstanding balance that is due, in whole or in part, to respondent's failure accurately to ascribe charges, credits, payments, or other activity to the correct account.

IV

It is further ordered that respondent, its successors and assigns, in order to give effect to Paragraph III of this Order, shall institute reasonable procedures to train respondent's collection personnel in the obligations of the Fair Credit Billing Act, and to further train respondent's collection personnel to inform consumers who assert billing errors of the correct address of respondent's Bill Adjustment Department.

V

It is further ordered that respondent, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporate subsidiary, division, or other device, in connection with any open end credit plan, do forthwith cease and desist from violating § 132 of the Truth in Lending Act, 15 U.S.C. § 1642, and § 226.12 of Regulation Z, 12 C.F.R. § 226.12, by issuing a credit card to any person except (1) in response to an oral or written request or application for the card; or (2) as a renewal of, or substitute for, an accepted credit card.

VI

It is further ordered that respondent, its successors and assigns, shall maintain for five (5) years and upon request make available to the Federal Trade Commission for inspection and copying, documents demonstrating compliance with the requirements of this Order.

VII

It is further ordered that respondent, its successors and assigns, shall deliver for five (5) years a copy of this Order to all present and future personnel, agents, or representatives having responsibilities with respect to the subject matter of this Order.

VIII

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

IX

This Order will terminate twenty years from the date of its issuance, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the Order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this Order that terminates in less than twenty years;

B. This Order's application to any respondent that is not named as a defendant in such complaint; and

C. This Order if such complaint is filed after the Order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Order will terminate according to this paragraph as though the complaint was never filed, except that the Order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

X

It is further ordered that respondent, its successors and assigns, shall, within one hundred and eighty (180) days of the date of service of this Order, file with the Federal Trade Commission, Division of Enforcement, a report, in writing, setting forth in detail the manner and form in which it has complied with this Order.

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from the May Department Stores Company, a corporation ("the respondent"). The proposed consent order has 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 agreement and the comments received and will decide whether it should withdraw from the agreement and take other appropriate action, or make final the proposed order contained in the agreement.

This matter concerns the placement of inaccurate information in the credit bureau files of consumers whose accounts were acquired by respondent in the course of its purchase of another retailer. The complaint alleges these inaccuracies were a result of the process used to convert the accounts, which, among other things, included dating past negative activity in a way that allowed it to remain on consumers' credit reports longer than the seven year obsolescence period found in the federal Fair Credit Reporting Act ("FCRA"). In addition, the complaint alleges that once respondent knew or should have known the information was not accurate, it failed to take steps to correct it.

This matter also addresses the issuance of credit cards to consumers who did not apply for the cards orally or in writing. The complaint accompanying the proposed consent order alleges that in connection with these practices, the respondent engaged in acts and practices in violation of Section 5 of the Federal Trade Commission Act and Section 132 of the Truth in Lending Act and Section 226.12(a)(2) of Regulation Z.

According to Count I of the complaint, when the respondent acquires other retail sellers of consumer goods or services, it converts the acquired open end credit plan accounts to its own open end credit plan accounts; an example of this occurred when it converted Thalhimers' accounts the Hecht Co. accounts. The respondent creates new open end credit plan accounts and issues new account numbers in the name of each consumer having an open end credit plan account in good standing with the retail company acquired by respondent. As part of this process, certain inaccuracies appeared in consumers' credit files.

Respondent, in the normal course of its business, furnishes account information concerning its open end credit plan accounts to consumer reporting agencies. This reported information reflected the inaccuracies allegedly caused by the respondent's account conversion process. The complaint alleges that respondent's reporting of inaccurate information constitutes an unfair practice in violation of Section 5 of the Federal Trade Commission Act.

Count I also alleges that respondent on some occasions initiates collection activity on purported delinquencies, created in error when respondent creates a second account without the knowledge or authorization of consumers, and subsequently posts payments and other credits to the incorrect account. The complaint alleges that this practice also constitutes an unfair practice in violation of Section 5 of the Federal Trade Commission Act.

Count II of the complaint alleges that in connection with telephone marketing of offers of pre-approved open end credit plan accounts, respondent in some cases establishes open end credit accounts for consumers who have not received or approved the offer or who have specifically declined the offer, in violation of Section 132 of the Truth in Lending Act and 226.12(a)(2) of Regulation Z.

The consent order contains provisions designed to ensure that the respondent does not engage in similar allegedly illegal acts and practices in the future.

Specifically, Paragraph I of the order requires the respondent to cease and desist from failing to follow reasonable procedures to assure the accuracy of the information that respondent maintains with respect to cardholder accounts that respondent has acquired or acquires from other retail sellers of consumer goods or services and that respondent provides to consumer reporting agencies, including but not limited to the accuracy of dates or relevant actions.

Paragraph II of the order requires respondent, to the extent not already accomplished, within ninety (90) days of service of the order, to identify current cardholders on whom, since January 1, 1992, respondent has reported incorrectly to any consumer reporting agency derogatory information related solely to the cardholder's open end credit plan account with an acquired creditor. The respondent must instruct each consumer reporting agency, in writing, to remove or correct any such derogatory information.

Paragraph III of the order requires respondent, after written notice from a consumer to its Bill Adjustment Department in accordance with the Fair Credit Billing Act of a failure by respondent accurately to ascribe charges, credits, payments, or other activity to the correct account, to cease collection activity as to the disputed amount, either directly or through any third party, or any outstanding balance that is due, in whole or in part, to respondent's failure accurately to ascribe charges, credits, payments, or other activity to the correct account.

Paragraph IV of the order requires that the respondent institute reasonable procedures to train their collection personnel in the obligations of the Fair Credit Billing Act, and to further train their collection personnel to inform consumers who assert billing errors of the correct address of respondent's Bill Adjustment Department.

Paragraph V of the order requires respondent to cease and desist from issuing credit cards to any person except (1) in response to an oral or written request or application for the card; or (2) as a renewal of, or substitute for, an accepted credit card.

Paragraph VI of the order requires the respondent to make documents demonstrating compliance with the requirements of the order available to the Federal Trade Commission for inspection and copying.

Paragraph VII of the order requires respondent for a period of five years to deliver a copy of the order to all present and future personnel, agents, or representatives having responsibilities

with respect to the subject matter of the order.

Paragraph VIII of the order requires that the respondent promptly notify the Commission at least thirty (30) days prior to any proposed change in respondent such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or affiliates, or any other change in the corporation that may affect compliance obligations arising out of the Order.

Paragraph IX of the order is a provision terminating the order in twenty years from the date of its issuance, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint in federal court alleging any violation of the order, whichever comes later.

Paragraph X of the order requires respondent within one hundred and eighty (180) days of the date of service of the order, to file with the Commission's Division of Enforcement, a written report setting forth in detail the manner and form in which it has complied 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 or to modify in any way their terms.

Donald S. Clark,
Secretary.

[FR Doc. 96-10561 Filed 4-29-96; 8:45 am]

BILLING CODE 6750-01-M

Request for Comments Concerning Disclosures in the Resale of Vehicles Repurchased Due to Warranty Defects

AGENCY: Federal Trade Commission.

ACTION: Request for public comments.

SUMMARY: The Federal Trade Commission ("the Commission" or "FTC") is requesting public comment and holding a public forum concerning the practices of motor vehicle manufacturers, their franchised dealers, and other firms and individuals in the resale of allegedly defective vehicles previously repurchased from consumers because of warranty defects. This notice sets forth a statement of the Commission's reasons for requesting public comment, a list of specific questions and issues upon which the Commission particularly desires written comment, an invitation for written comments, and an invitation to participate in the public forum.

On November 8, 1995, the Consumers for Auto Reliability and Safety and other consumer groups ("Consumer Coalition" or "Petitioners") filed a petition in which they requested that the Commission initiate either a rulemaking proceeding or an enforcement action regarding the alleged industry practice of reselling vehicles repurchased due to defects without disclosure of the vehicle's prior history to the subsequent purchaser. The Commission is publishing this petition without endorsing or supporting the views expressed therein. The Commission is seeking public comment and holding a public forum on the issues raised by the petition and on other related issues.

DATES: Written comments will be accepted until June 28, 1996. Notification of interest in participating in the public forum also must be submitted on or before June 28, 1996. The public forum will be held in Washington, D.C. on July 15, 1996, from 9 a.m. until 5 p.m.

ADDRESSES: Five paper copies of each written comment should be submitted to the Office of the Secretary, Room 159, Federal Trade Commission, Sixth Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580. To encourage prompt and efficient review and dissemination of the comments to the public, all comments should also be submitted, if possible, in electronic form, on either a 5¼ or a 3½ inch computer disk, with a label on the disk stating the name of the commenter and the name and version of the word processing program used to create the document. (Programs based on DOS are preferred. Files from other operating systems should be submitted in ASCII text format to be accepted.) Individuals filing comments need not submit multiple copies or comments in electronic form. Comments should be identified as "Vehicle Buybacks—Comment. FTC File No. P96 4402."

Notification of interest in participating in the public forum should be submitted in writing to Carole I. Danielson, Division of Marketing Practices, Federal Trade Commission, Sixth and Pennsylvania Ave., N.W., Washington, D.C. 20580. The public forum will be held at the Federal Trade Commission, Sixth and Pennsylvania Ave., N.W., Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT:

Carole I. Danielson (202) 326-3115, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.