

Notice to Engage in Nonbanking Activities

Deutsche Bank AG, Frankfurt (Main), Federal Republic of Germany ("Deutsche Bank"), has applied for Board approval pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) ("BHC Act") and section 225.23(a) of the Board's Regulation Y (12 CFR 225.23(a)) to engage *de novo*, through its wholly owned subsidiaries, Deutsche Morgan Grenfell Futures Inc. ("DMGFI") and Deutsche Morgan Grenfell Inc. ("DMG"), both of New York, New York, in executing and clearing, executing without clearing, clearing without executing, and providing related services, including incidental advisory services, with respect to futures and options on futures on certain non-financial commodities. Deutsche Bank also proposes to engage in these activities through omnibus trading accounts established in the name of DMGFI with clearing members of exchanges on which neither DMGFI nor DMG would be a clearing member. Deutsche Bank proposes to conduct these activities throughout the world. The Board previously has determined that these activities are closely related to banking. See, e.g., *Citicorp*, 81 Federal Reserve Bulletin 164 (1995); *Northern Trust Corporation*, 79 Federal Reserve Bulletin 723 (1993).

Deutsche Bank's proposal is available for immediate inspection at the Federal Reserve Bank of New York and the offices of the Board in Washington, D.C. Interested persons may express their views on the proposal in writing, including on whether the proposed activities "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8). Any request for a hearing on this notice must, as required by section 262.3(e) of the Board's Rules of Procedure (12 CFR 262.3(e)), be accompanied by a statement of the reasons why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Comments regarding the notice must be received not later than January 10, 1997, at the Reserve Bank indicated or

to the attention of William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551.

Board of Governors of the Federal Reserve System, December 20, 1996.

William W. Wiles,
Secretary of the Board.

[FR Doc. 96-32921 Filed 12-26-96; 8:45 am]

BILLING CODE 6210-01-F

Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.25 of Regulation Y (12 CFR 225.25) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. Once the notice has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act, including whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices" (12 U.S.C. 1843). Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated

or the offices of the Board of Governors not later than January 10, 1997.

A. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63166:

1. *National City Bancshares, Inc.*, Evansville, Indiana; to acquire First Federal Savings Bank of Leitchfield, Leitchfield, Kentucky, and thereby engage in operating a savings bank pursuant to § 225.25(b)(9) of the Board's Regulation Y.

B. Federal Reserve Bank of Minneapolis (Karen L. Grandstrand, Vice President) 250 Marquette Avenue, Minneapolis, Minnesota 55480:

1. *Norwest Corporation*, Minneapolis, Minnesota; and its subsidiary Norwest Investment Services, Minneapolis, Minnesota, to acquire the discount brokerage accounts of Central Bank & Trust, Fort Worth, Texas pursuant §§ 225.25(b)(15) and (16) of the Board's Regulation Y. Comments must be received by January 9, 1997.

2. *Norwest Corporation*, Minneapolis, Minnesota; and its subsidiary Norwest Mortgage, Inc., Des Moines, Iowa, to acquire the residential mortgage origination and servicing activities of Central Bank & Trust, Fort Worth, Texas, pursuant to § 225.25(b)(1) of the Board's Regulation Y. Comments must be received by January 9, 1997.

Board of Governors of the Federal Reserve System, December 20, 1996

William W. Wiles,
Secretary of the Board.

[FR Doc. 96-32922 Filed 12-24-96; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL TRADE COMMISSION

Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures

AGENCY: Federal Trade Commission.

ACTION: Grant of petition for exemption.

SUMMARY: On April 15, 1996, the Commission published a notice in the Federal Register soliciting comments on a petition filed by Freightliner Corporation. The Commission now grants the petition and determines that the provisions of 16 CFR Part 436 shall not apply to the advertising, offering, licensing, contracting, sale or other promotion of truck dealerships by Freightliner Corporation.

EFFECTIVE DATE: December 27, 1996.

FOR FURTHER INFORMATION CONTACT: Myra Howard, Attorney, PC-H-238, Federal Trade Commission, Washington, D.C. 20580, (202) 326-2047.

SUPPLEMENTARY INFORMATION:Before the Federal Trade Commission
Order Granting Exemption

In the Matter of a Petition for Exemption from the Trade Regulation Rule Entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" filed by Freightliner Corporation.

On April 15, 1996, the Commission published a notice in the Federal Register soliciting comments on a petition filed by Freightliner Corporation ("Freightliner"). Freightliner manufactures heavy-duty and medium-duty trucks, truck parts, and military tractors, and enters into distributorship agreements with business people throughout the United States to sell and service Freightliner's trucks and parts. The petition sought an exemption, pursuant to Section 18(g) of the Federal Trade Commission Act, from coverage under the Commission's Trade Regulation Rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" ("Franchise Rule").

In accordance with Section 18(g), the Commission conducted an exemption proceeding under Section 553 of the Administrative Procedure Act, 5 U.S.C. 553, and invited public comment during a 60-day period ending June 14, 1996. No comments were received. After reviewing the petition, the Commission has concluded that the Petitioner's request should be granted.

The statutory standard for exemption requires the Commission to determine whether application of the Trade Regulation Rule to the person or class of persons seeking exemption is "necessary to prevent the unfair or deceptive act or practice to which the rule relates." If not, an exemption is warranted.

The abuses that the disclosure remedy of the Franchise Rule is designed to prevent are most likely to occur, as the Statement of Basis and Purpose of the Rule notes, in sales where three factors are present:

- (1) A potential investor has a relative lack of business experience and sophistication;
- (2) The investor has inadequate time to review and comprehend the unique and often complex terms of the franchise agreement before making a major financial commitment; and
- (3) A significant information imbalance exists in which the prospective franchisee is unable to obtain essential and relevant facts known to the franchisor about the investment.

The pre-sale disclosures required by the Franchise Rule are designed to

negate the effect of any deceptive acts or practices where these conditions are present. The Rule provides investors with the material information they need to make an informed investment decision in circumstances where they might otherwise lack the resources, knowledge, or ability to obtain the information, and thus protect themselves from deception.

Where the conditions that create a potential for deception in the sale of franchises are not present, however, a regulatory remedy designed to prevent deception is unnecessary. Our review of the record in this proceeding persuades us that an exemption is warranted for that reason. The Petitioner has convincingly shown that the conditions that create a potential for a pattern or practice of abuse are absent; thus, there is no likelihood of unfair or deceptive acts or practices in the appointment of its truck dealership franchises.

The petition demonstrates that potential Freightliner dealers are and will continue to be a select group of highly sophisticated and experienced businesspeople; that they make very significant investments; and that they have more than adequate time to consider the dealership offer and obtain information about it before investing. We note in particular that Freightliner has a relatively small number of dealers, approximately 232; that prospective Freightliner dealers usually have years of experience in truck or other heavy duty equipment sales; that investment costs for Freightliner dealerships are approximately \$4 million; and that prospective dealers participate in an extensive application and approval process, during which time a good deal of information is exchanged between the parties.

As a practical matter, investments of this size and scope typically involve knowledgeable investors, the use of independent business and legal advisors, and an extended period of negotiation that generates the exchange of information necessary to ensure that investment decisions are the product of an informed assessment of the potential risks and benefits. The Commission has reviewed the potential for unfair or deceptive acts or practices in connection with the licensing of motor vehicle dealership franchises on six prior occasions since 1980, and found no evidence or likelihood of a significant pattern or practice of abuse by any of the Petitioners. If any such evidence exists, it has not yet been brought to the Commission's attention in this or any of the prior proceedings.

Thus, both the record in this proceeding and all prior experience to

date with other Franchise Rule exemptions for automobile dealerships support the conclusion that Petitioner's licensing of new truck dealers accomplishes what the Rule was intended to ensure. The conditions most likely to lead to abuses are not present in the licensing of Freightliner dealerships, and the process generates sufficient information to ensure that applicants will be able to make an informed investment decision. For these reasons, the Commission finds that the application of the Franchise Rule to Petitioner's licensing of truck dealer franchises is not necessary to prevent the unfair or deceptive acts or practices to which the Rules relates.

Accordingly, the Commission has determined that the provisions of 16 CFR Part 436 shall not apply to the advertising, offering, licensing, contracting, sale or other promotion of truck dealerships by Freightliner Corporation.

It is so ordered.

Issued: December 6, 1996.

By the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 96-32900 Filed 12-26-96; 8:45 am]

BILLING CODE 6750-01-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Proposed Information Collection Activity; Comment Request
Proposed Projects

Title: State and Tribal Plans for the Child Care and Development Fund (Child Care and Development Block Grant).

OMB No.: 0970-0114.

Description: These legislatively-mandated plans serve as the agreement between the grantee and the Federal government describing how CCDF programs will be administered in conformance with legislative requirements, pertinent Federal regulations, and other applicable instructions and guidelines issued by ACF. This information will be used for Federal oversight of the Child Care and Development Fund.

Respondents: States, Virgin Islands, Puerto Rico, Guam, District of Columbia, Samoa, the Trust of Northern Mariana Islands and Tribal Governments.