summarizing each public contact with FAA personnel concerned with this rulemaking will be filed in the public, regulatory docket.

Availability of NPRM

Any person may obtain a copy of this notice of proposed rulemaking (NPRM) by submitting a request to the Federal Aviation Administration, Office of Public Affairs, Attention: Public Information Center, APA–430, 800 Independence Avenue, SW., Washington, D.C. 20591, or by calling (202) 426–8058. Communications must identify the notice number of this NPRM. Persons interested in being placed on a mailing list for future NPRMs should also request a copy of Advisory Circular No. 11–2 which describes the application procedures.

The Proposal

The FAA is considering an amendment to Subpart F of Part 71 of the Federal Aviation Regulations (14 CFR Part 71) to designate the Smyrna, Tennessee, control zone. A nonfederal airport traffic control tower has been established on the Smyrna Airport. The control tower meets the requirements for establishment of a part-time control zone with irregular hours of operation.

In order to provide the maximum level of safety, designation of the control zone, controlled airspace to the surface, is required to contain flight operations near the airport.

The Proposed Amendment

Accordingly, the Federal Aviation Administration proposes to amend Subpart F, § 71.171 (44 FR 353), of Part 71 of the Federal Aviation Regulations (14 CFR Part 71) by adding the following:

Smyrna, Tenn.

Within a five-mile radius of Smyrna Airport (latitude 36°00'32" N., longitude 86°31'12" W.); excluding the portion within the Nashville, Tennessee, Control Zone. This control zone is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereunder be continuously published in the Airport Facility Directory.

(Sec. 307(a), Federal Aviation Act of 1958, as amended (49 U.S.C. 1348(a)), sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)).)

Note.—The Federal Aviation Administration has determined that this document involves a proposed regulation which is not significant under Executive Order 12044, as implemented by DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979). Since this regulatory action involves an established body of technical requirements for which frequent and routine amendments are necessary to keep them operationally current and promote safe flight operations, the anticipated impact is so minimal that this action does not warrant preparation of a regulatory evaluaton.

Issued in East Point, Ga., on August 17, 1979.

Lonnie D. Parrish,

Acting Director, Southern Region.

[FR Doc. 79–26573 Filed 8–24–79; 8:45 am]

BILLING CODE 4910–13–M

FEDERAL TRADE COMMISSION

[16 CFR Part 13]

[File No. 9075]

Irving E. Miller; 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 order, accepted subject to final Commission approval, among other things, would require an individual party to a complaint issued against Bankers Life and Casualty Company and others, to cease, in connection with the advertising, promotion and sale of land, misrepresenting that land purchase is a safe investment; involves little financial risk; and is a means of achieving financial security. The order would require that all advertising, promotional materials and sales contracts include specified disclosures regarding risks involved in undeveloped land investment; the advisability of consulting with a real estate specialist prior to contracting; the availability and cost of water, sewage disposal and utilities; and the identity of lots in flood plain areas. Mr. Miller would be required to provide customers with cooling-off periods and information regarding rights to cancellation and refund; and prohibited from using certain contractual provisions including one by which defaulting purchasers forfeit all payments made. Additionally, the order would require Mr. Miller to release in favor of consumers who have paid for their lots in full any security interest he has or obtains in subdivisions.

DATE: Comments must be received on or before: October 22, 1979.

ADDRESS: Comments should be directed to: Office of the Secretary, Federal Trade Commission, 6th St. and Pennsylvania Ave., N.W., Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT: Paul C. Daw, Director, 6R, Denver Regional Office, Federal Trade Commission, Suite 2900, 1405, Curtis St., Denver, Colo. 80202. (303) 837–2271.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and § 3.25(f) of the Commission's rules of practice (16 CFR 3.25(f)), notice is hereby given that the following consent agreement containing a consent order to cease and desist and an explanation thereof, 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 § 5.9(b)(14) of the Commission's rules of practice (16 CFR 4.9(b)(14)).

[Docket No. 9075]

Irving E. Miller

AGREEMENT Containing Consent Order To Cease and Desist

The agreement herein, by and between Irving E. Miller, an individual, and his attorney and counsel for the Federal Trade Commission, is entered into in accordance with the Commission's rules governing consent order procedure:

1. Respondent Irving E. Miller is an individual whose business address is 2601 Biscayne Boulevard, Miami, Florida.

2. Respondent has been served with a copy of the complaint issued by the Commission.

3. Respondent admits all the jurisdictional facts set forth in the complaint.

4. 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; and

(c) All rights to seek judicial review or otherwise to challenge or contest the validity of the Order entered pursuant to this Agreement.

5. This Agreement shall not become a part of the official record of this proceeding unless and until it is accepted by the Commission. If this Agreement is accepted by the Commission, it will be placed on the public record pursuant to the Commission Rules for a period of sixty (60) days and information in respect thereto publicly released; and such acceptance may be withdrawn by the Commission if thereafter it deems the Agreement inappropriate.

6. This Agreement is for settlement purposes only and does not constitute

an admission by respondent that the law has been violated as alleged in the complaint.

7. This Agreement contemplates that, if accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 3.25 of the Commission Rules, the Commission may, without further notice to respondent:

(a) Issue its decision containing the following Order to cease and desist in disposition of this proceeding; and

(b) 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. 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 this Agreement may be used to vary or contradict the terms of the Order.

8. Respondent understands that once the Order has been issued, he will be required to file one or more compliance reports pursuant to the Commission Rules showing that he has fully complied with the Order, and that he may be liable for a civil penalty in the amount provided by law for each violation of the Order after it becomes final.

9. It is agreed that the relief set forth in the Order contained herein fully satisfies any claim for consumer redress which the Commission has under Sections 5 and 19 of the Federal Trade Commission Act, as amended, arising out of the acts and practices alleged in the complaint which occurred prior to the effective date of the Order relating to the following developments: Hartsel Ranch, Estates of the World, Rio Grande Ranches, Larwill Costilla Ranches, Top of the World and San Luis Valley Ranches. By its final acceptance of this Agreement, with such modifications, if any, which the parties may make prior to said final acceptance, the Commission waives its right to commence a civil action under Section 19 of the Federal Trade Commission Act, as amended, with respect to the acts and practices alleged in the Commission's complaint which occurred prior to the effective date of the Order relating to said developments.

Order

For purposes of this Order, unless otherwise provided, the following definitions shall be applicable:

"Purchaser" shall mean a person to whom one or more lots in a subdivision have been sold or offered for sale: *Provided, however,* That a "purchaser" shall not include a person who purchases land in a single transaction for a sum in excess of $25,000.

"Land" or "subdivision" shall mean any real property which is divided or proposed to be divided into 50 or more units, whether contiguous or not, for the purpose of sale or lease to purchasers as part of a common promotional plan.

"Contract" shall mean a written agreement for the sale of land to purchasers.

"Business day" shall mean any calendar day except Saturday, Sunday, or the following business holidays: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day.

"Property Report" includes documents sometimes referred to as an Offering Statement or Prospectus.

"Company which sold the lot" shall mean the title owner or its sales agent."Inconsistent" shall mean mutually repugnant or contradictory one to the other.

For purposes of this Order, a requirement to cease and desist from representing or misrepresenting shall include representing or misrepresenting directly or indirectly. For purposes of this Order, all required disclosures shall be made in a clear and conspicuous manner.

Except as provided in Sections IV and IX of this Order, this Order shall not apply to a bulk transfer of land or subdivision. The term "bulk transfer" shall mean the transfer of all or a portion of land or subdivision conveyed in a single transaction for a sum in excess of $25,000.

I

It is ordered, That respondent Irving E. Miller and his agents, representatives and employees, directly or through any corporation, subsidiary, division, or other entity, in connection with the advertising, offering for sale or sale of land in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing: 1. That land or lots are a good or safe investment, or that the purchase of a lot is a good or safe investment.

2. That there is little or no financial risk involved in the purchase of lots.

3. That the resale of a purchased lot is not difficult.

4. That the value of, or demand for, any land, including lots being offered for sale or previously sold, has increased, or will increase, or that purchasers have made, or will in the future make, a profit by reason of having purchased such land.

5. That the prices of lots periodically rise or that prices of said lots are increasing, have increased or will increase, without disclosing at the same time, and by the same medium by which the price increases are communicated, that the price increases of lots do not in any way relate to the value of said lots.

6. That the purchase of a lot is a way to achieve financial security or prosperity, to deal with inflation or to become wealthy.

7. That the land in any subdivision will soon be unavailable or that prospective purchasers must purchase a lot in a subdivision immediately to ensure that such lot will be available

8. That subdivision land and the area surrounding it are comparable, similar or analogous either to urban, metropolitan and industrial areas or to mountain resort areas or to recreation areas.

9. That the growth in land values or potential growth in land values at a subdivision corresponds to or will correspond to the growth in land values at any other locality. The word "locality" includes, but is not limited to, cities, towns, counties, townships, boroughs, States and regions.

Provided, however, It shall be a defense that at the time a representation was made, it was true and the maker of the representation possessed data substantiating the representation. Such substantiating data shall be maintained for at least three years from the making of the representation it substantiates and shall be made available to the Commission upon request.

B. Including in any contract for the sale of subdivision land, or in the documents shown or provided to purchasers or prospective purchasers of subdivision land:

1. Language to the effect that no express or implied representations have been made in connection with the sale or offering for sale of such land, other than those set forth in the contract.

2. Language to the effect that upon a failure of the purchaser to pay any installment due under the contract or otherwise to perform any obligation under the contract, the company which sold the lot shall be entitled to retain sums previously paid thereunder by the purchaser.

3. Any waiver, limitation or condition on the right of a purchaser to cancel a

transaction or receive a refund under any provisions of this Order, except as such waiver, limitation or condition is expressly allowed by this Order.

C. Misrepresenting the right of a purchaser under any provision of this Order or any applicable statute or regulation to cancel a transaction or receive a refund.

D. Making any representation concerning the rights or obligations of a company or purchaser which differs in any respect from the rights or obligations of the parties as stated in the contract or Property Report.

E. Making any statement or representation concerning the proximity to any subdivision of any existing or future city, place, facility, body of water or road without disclosing, in immediate conjunction therewith and with the same conspicuousness as such statement of representation, the approximate distance to the nearest two (2) miles in road miles from the center of the subdivision to the downtown or geographical center of the city, place or facility referred to, or in the case of a body of water or a road, to the nearest point at which such body of water or road is accessible to entry and use by purchasers.

F. Making any statement of representation concerning any credit, refund or other monetary benefit or remuneration to purchasers or prospective purchasers from the company which sold the lot unless such is a fact and unless any conditions or limitations attached to such credit, refund, benefit or remuneration are disclosed.

II

It is further ordered, That respondent Irving E. Miller, his agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other entity, in connection with the advertising, offering for sale or sale of land in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith:

A. Set forth in all sales and promotional material and advertising relating to the sale of land, except billboards, the following statement:

Risk Factor: Since land values are uncertain, you should consult a qualified professional before purchasing.

B. Set forth as the title on the first page of any contract for the sale of land in 12-point boldface type "Contract for the Purchase of Land."

C. Set forth on the first page of all contracts for the sale of land in 10-point boldface type the following statement:

This is a contract by which you agree to purchase land. The future value of this land, as well as all undeveloped real estate, is uncertain. You should not assume that the value of land will increase. Do not assume that you will be able to resell your land without significant community development and population growth.

D. Set forth on the first page of all contracts for the sale of lots such of the following statements as are applicable:

1. For contracts for the sale of lots where the company which sold the lot is not obligated to provide electricity, water, and sewage disposal by central systems, but where all such utilities are available by other means, the following statement:

This undeveloped land has been planned for use as a vacation homesite. Electricity, water, and sewage disposal are available at the purchaser's expense. Electricity is obtainable by generator, water by well, and sewage disposal by septic tank. Access will be by unpaved roads.

Provided, That, if a central system is provided instead of a generator or well or septic tank, then the above statement may be modified only to the extent necessary to so indicate. *Provided further,* That, if paved roads are provided, then the above statement may be modified only to the extent necessary to so indicate. *Provided further,* That, if roads are county accepted, then the above statement may be so modified only to the extent necessary to so indicate.

2. For contracts for the sale of lots where the company which sold the lot is not obligated to provide any utilities and where utilities are not known to be available, the following statement in lieu of the above statement:

This completely undeveloped land is being sold "as is." No improvements are planned for this subdivision other than county—approved and maintained roads. No representation is made as to the availablility of water or sewer.

Provided, That, if the roads are not county-approved and maintained, this statement shall be modified to disclose the status of the roads if any.

E. Set forth the following statement in any contract for land requiring a Property Report; immediately below the statement required by paragraph D. above.

Note to Buyer: See page [insert page number] of the Property Report for statements relating to the additional expense for improvements.

F. Set forth in any contract for the sale of land which does not require a Property Report, immediately below the statements required by paragraph D. above, a statement providing the cost of improvements.

G. Whenever prospective buyers are provided with a contract for the sale of land by any means other than by mailing said contract directly to such purchasers:

1. Furnish each purchaser, at the time the purchaser signs a contract for the sale of land, with two copies of a form, captioned in boldface type "Notice of Cancellation," which shall contain in boldface type the following information and statements:

Notice of Cancellation

Date of Transaction

Contract Number

You may cancel this transaction, without any penalty or obligation, at any time prior to midnight of the tenth business day after the date shown on the contract.

If you cancel, any payments made by you under the contract and any negotiable instrument issued by you will be returned within twenty business days following receipt by the seller of your cancellation notice.

To cancel this transaction, mail or deliver a signed copy of this cancellation notice or any other written notice, or send a telegram to [name of company which sold the lot], at [address of said company's place of business] not later than midnight of [date].

I (we) hereby cancel this transaction (each purchaser must sign this notice.)

Dated: ———————.

Signature of Purchaser

Dated: ———————.

Signature of Purchaser

2. Before furnishing copies of the above "Notice of Cancellation" to the purchaser, complete both of the copies by entering the name of the company which sold the lot, the address of said company's place of business, the date of the transaction, the contract number and the date by which the purchaser may give notice of cancellation, but in no event may such date be earlier than the tenth business day following the date of the transaction.

3. Where a timely notice of cancellation is received and said notice is not properly signed and the company which sold the lot does not intend to honor the notice, immediately notify the purchaser by certified mail, return receipt requested, enclosing the notice, informing the purchaser of his error and stating clearly and conspicuously that a notice signed by the purchaser must be mailed by midnight of the seventh business day following the purchaser's receipt of the mailing if the purchaser is to obtain a refund.

4. Where the signature of a prospective purchaser is solicited during

the course of a sales presentation, inform each person orally, at the time he signs the contract, of his right to cancel as stated in paragraph II.G.5. of this Order.

5. Include clearly and conspicuously in each contract for the sale of land the following statement in boldface type:

Purchaser has the right to cancel the contract, without any penalty or obligation, at any time prior to midnight of the tenth business day after the date of this contract. See the attached "notice of cancellation" for an explanation of this right.

6. Within twenty business days after the receipt of a timely notice of cancellation signed by a purchaser, refund all payments made under the contract, and cancel and return any monies paid by the purchaser in connection with the contract.

H. Furnish any report required to be furnished to a purchaser at or before the signing of a contract by Federal or State law or by this Order (i) with the first written materials furnished to a prospective purchaser in connection with the sale of a lot or (ii) during the first contact which the prospective purchaser has with any agent or employee of the company which is offering the lot for sale, in connection with the sale of a lot.

I. Inform all prospective purchasers that a bank or other lender located near the subdivision should be consulted prior to the purchase of land if the purchaser intends to finance the building of a house on that land.

J. If a refund is offered contingent upon the purchaser taking a company-guided inspection tour or making a registered inspection of the propoerty in which the purchaser's lot is located:

1. Provide the purchaser three business days after taking said tour or making said inspection within which to request a refund.

2. Include in any contract with the original purchaser, in immediate proximity to the provision setting forth the availability of a refund upon the completion of a company-guided tour or registered inspection of the property, the following statements:

If you take a company-guided tour of the property within [designate time period] months of your purchase and you have not been declared in default, you will have three days after the tour to cancel your purchase and get your money back.

You, the purchaser, pay your own expenses for travel to the property in order to take the tour.

3. Furnish each purchaser at the completion of the tour or inspection a completed form in duplicate, captioned "Notice of Cancellation," which shall contain in boldface type the following statements:

Notice of Cancellation

Date of Company-Guided Inspection Tour or Registered Inspection of Property

---

Contract Number

You may cancel your contract, without any penalty or obligation, at any time prior to midnight of the third business day after the above date.

If you cancel, any payments made by you under the contract and any negotiable instrument executed by you will be returned within twenty business days following receipt by the seller of your cancellation notice. To cancel your contract, mail or deliver a signed copy of this cancellation notice or any other written notice, or send a telegram to [name of company which sold the lot], at [address of said company's place of business] not later than midnight of [date]. I (we) hereby cancel the contract. (Each purchaser must sign this notice.)

Dated: _____

Signature of Purchaser

Dated: _____

Signature of Purchaser

4. Before furnishing copies of the above "Notice of Cancellation" to purchaser, complete both copies by entering the name of the company which sold the lot and the address of said company's place of business, the date of the company-guided inspection tour or the registered inspection of the property, the contract number and the date by which the purchaser may give notice of cancellation, but in no event may such date be earlier than the third business day following the date of said tour or inspection.

5. Where a timely notice of cancellation is received but said notice is not properly signed and the company which sold the lot does not intend to honor the notice, immediately notify the purchaser by certified mail, return receipt requested, enclosing the notice, informing the purchaser of his error and stating clearly and conspicuously that a notice signed by the purchaser must be mailed by midnight of the seventh day following the purchaser's receipt of the mailing if the purchaser is to obtain a refund.

K. Disclose in each instance where all or part of any printed article, publication, endorsement or testimonial is used, published or referred to, the date when such article, publication, endorsement or testimonial was originally published or made and the source of such article, publication, endorsement or testimonial.

L. Notify prospective purchasers of any lot offered for sale in a flood plain area that said lot is in a flood plain area.

III

It is further ordered, That respondent Irving E. Miller and his agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other entity, in connection with the advertising, offering for sale or sale of land in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing that any land may be used now or in the future:

A. As a homesite, unless the contracts or Property Reports accurately set forth:

1. That water is available to the purchaser by drilling a well or by central water system.

2. That sewage disposal is available to purchasers by installation of a septic tank or by hook-up to a central sewage system.

3. That electricity will be available to the purchaser from a utility company.

B. As a vacation homesite, unless the contracts or Property Reports set forth:

1. That water is available to the purchaser by drilling a well.

2. That percolation on the property purchased is sufficient to support a septic tank.

3. That electricity is available to the purchaser by installing a generator.

IV

It is further ordered, That respondent Irving E. Miller, including his agents, representatives and employees, directly or through any corporation, subsidiary, division or other entity.

A. Regarding each subdivision in which respondent has or obtains a security interest, shall execute and record a covenant providing that, if a purchaser pays the total purchase price pursuant to the terms of a contract for the purchase of land, respondent shall grant to such purchaser a release of said security interest.

1. For each subdivision in which respondent has a security interest as of the effective date of this Order, respondent shall execute and record such covenant within 90 days of the effective date of this Order.

2. For each subdivision in which respondent obtains a security interest after the effective date of this Order, respondent shall execute and record such covenant at the same time said security interest is recorded.

B. Regarding each subdivision in which respondent has or obtains title, for as long as respondent retains title, shall obtain for each purchaser who

pays the total purchase price pursuant to the terms of a contract for the purchase of land, a release as to that purchaser of any security interest on such subdivision granted subsequent to the effective date of this Order.

V

It is further ordered, That if the Interstate Land Sales Full Disclosure Act, presently codified at 15 U.S.C. §§ 1701–20 (1970), or any regulation that has been or may be promulgated pursuant thereto requires an act or practice that is prohibited by any provision of this Order, or prohibits an act or practice that is required by any such provision, or is otherwise inconsistent with any such provision of this Order, any such provision of this Order shall be without legal force or effect.

VI

It is further ordered, That in the event the Federal Trade Commission promulgates a valid Trade Regulation Rule applicable to respondents' sale of land, then to the extent there are any inconsistencies between this Order and such Rule, the Trade Regulation Rule will govern.

VII

It is further ordered, That respondent Irving E. Miller:

1. Deliver, by hand or by certified mail, a copy of Sections I, II, and III of this Order to each of his present or future employees and salesmen, and independent brokers, who sell or promote the sale of land to purchasers.

2. Provide each person so described in Paragraph 1 above with a form, returnable to said respondent, clearly stating such person's intention to be bound by and to conform his sales practices to the requirements of this Order.

3. Inform each person described in Paragraph 1 above that said respondent shall not use any such person, or the services of any such person, unless such person agrees to and does file notice with said respondent that such person will be bound by the provisions contained in this Order.

4. That in the event such person will not agree to so file notice with said respondent and to be bound by the provisions of this Order, said respondent shall not use such person, or the services of such person.

5. Inform the persons described in Paragraph 1 above that said respondent is obligated by this Order to discontinue dealing with those persons who engage on their own in the acts and practices prohibited by this Order.

6. Institute a program of continuing surveillance adequate to reveal whether the sales practices of each of said persons described in Paragraph 1 above conform to the requirements of Sections I, II, and III of this Order.

7. Discontinue dealing with any person described in Paragraph 1 above, revealed by the aforesaid program of surveillance, who repeatedly engages on his own in the acts or practices prohibited by Sections I, II, and III of this Order: *Provided, however,* That, in the event remedial action is taken, evidence of such dismissal or termination shall not be admissible against said respondent in any proceeding brought to recover penalties for alleged violation of any other paragraph of this Order.

VIII

It is further ordered, That respondent Irving E. Miller shall forthwith distribute a copy of this Order to each entity which he owns or controls and which is engaged in the sale of land.

IX

It is further ordered, That in the event that respondent Irving E. Miller transfers to any other person or entity all or a substantial part of any subdivision owned by him or by an entity within his control, respondent shall notify the Commission in writing within sixty days of such transfer of the fact of the transfer, identifying the property transferred, the name and address of the transferee, and the date of the transfer.

X

It is further ordered, That respondent Irving E. Miller, for a period of 10 years from the date of service of this order, shall promptly notify the Commission of each affiliation with a new business or employment whose activities include the advertising, offering for sale or sale of subdivision land to the consuming public. Such notice shall include the respondent's new business address and a statement of the nature of the business or employment in which the respondent is newly engaged as well as a description of respondent's duties and responsibilities in connection with the business or employment. The expiration of the notice provision of this paragraph shall not affect any other obligation arising under this order.

XI

It is further ordered, That respondent Irving E. Miller shall, within sixty (60) days after service upon him of this Order, file with the Commission a report in writing setting forth in detail the manner and form in which said respondent has complied with this Order.

Analysis of Proposed Consent

Order To Aid Public Comment

The Federal Trade Commission has accepted an Agreement to a proposed consent Order in Docket No. 9075 from:

Irving E. Miller

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 February 26, 1976, the Federal Trade Commission issued a Complaint against Irving E. Miller and 15 other respondents, including Bankers Life and Casualty Company, alleging unfair and deceptive acts and practices in the sale of subdivided lots of undeveloped land in six subdivisions in Colorado. Four of these subdivisions are located in the San Luis Valley, a region in southern Colorado, and are known as: San Luis Valley Ranches, Rio Grande Ranches, Top of the World, and Larwill Costilla Ranches.

The other two subdivisions are located in Park County in central Colorado, and are known as: Hartsel Ranch, and Estates of the World or Estates of Colorado.

Previously, on May 16, 1979, the Commission published for comment a consent agreement which it had accepted from all respondents except Mr. Miller.

Complaint Allegations

The Complaint alleged that the respondents cooperated and acted together in using certain unfair and/or deceptive acts and practices in the sale of subdivision lots, including:

(1) Representing falsely that the purchase of a lot was a good investment;

(2) Failing to say that the purchase was a risky one due in part to the difficulty a consumer would have in attempting to resell;

(3) Misrepresenting the useability of respondents' lots as homesites;

(4) Failing to make disclosures about the high cost of utilities, the poor quality and remote location of the land, and the lack of home construction financing;

(5) Using unfair contract provisions; and

(6) Selling lots by the use of contracts-for-deeds while at the same time

entering into mortgage agreements which could cut off the purchaser's right to receive a warranty deed upon payment in full for the land.

Additionally, the notice of contemplated relief which accompanied the Complaint apprised respondents that the Commission might seek consumer redress at the conclusion of the adjudicative proceedings.

The Agreement

The Agreement basically requires the respondent to (1) cease and desist from making certain representations, and (2) make certain disclosures in the sale of subdivision lots. This Agreement with Mr. Miller does not provide for consumer redress, since the agreement with the other respondents provides that its redress terms fully satisfy the Commission's consumer redress claims regarding the subdivisions involved here.

(A) *Cease and Desist Provisions*

The Order prohibits the respondent from representing in the future that the purchase of a lot is a good investment, involves little or no financial risk, or is a way to achive financial security or prosperity, to deal with inflation or to become wealthy. The Order also requires the respondent to stop representing that lots may soon be unavailable, and that the subdivision land is comparable to industrial areas, urban areas or mountain resort areas. The Order has a proviso which allows the respondent to make these representations if he can prove that at the time they are made, the representations are true and the respondent has data which substantiates them.

In addition, the respondent is prohibited from representing that the lots are useable as homesites or vacation homesites, unless water, sewage disposal and electricity are available and the source of such utilities is accurately disclosed.

Further, the respondent is prohibited from using certain contractual provisions, including the one by which defaulting purchasers forfeit all payments made.

(B) *Disclosures*

The respondent is required by the Order to make certain disclosures in the advertising, promotional materials and contracts used in future lot sales. The Order often sets out the exact form in which these disclosures are to be made. Disclosures are to be made concerning:

(1) The risky nature of a land investment and possible difficulties in reselling the land;

(2) The availability of utilities and roads;

(3) The cost to the purchaser of utilities and the necessary improvements;

(4) The fact that a bank or other lender near the subdivision should be consulted prior to purchase if the purchaser needs home construction financing;

(5) The approximate distance from the purchaser's land to any city, facility, body of water, or road represented to be in the proximity of the land; and

(6) The identity of lots in flood plain areas.

The Order also requires the respondent to notify purchasers of two "cooling-off" periods. First, anyone who contracts other than through the mails must receive notice of the right to cancel the contract at any time within 10 days of signing the contract. Second, if the respondent offers a refund contingent upon the purchaser taking a company-guided inspection tour, then the purchaser must be given three days after taking the tour to cancel the contract and receive the refund.

(C) *Release of Security Interests*

The Order also is designed to insure that purchasers who fulfill their contracts receive a deed and that their rights are not cut off by a holder of a mortgage on the land. If the respondent owns or obtains a security interest, such as a mortgage, in subdivision land, he must publicly record a promise to release that security interest in favor of any consumer who pays for his lot in full. If the respondent holds the title to subdivision land, he must obtain for any lot purchaser who pays in full a release of any security interest granted in the future on the land.

(D) *Reporting and Compliance*

The Order also addresses the respondent's sale of all or a substantial part of a subdivision. In the event that the respondent makes such a sale, he must submit a report to the Commission identifying the property sold and the party who acquired it.

In addition to the above, the respondent must notify the Commission each time he becomes involved with a company in the subdivided land sales business within the next ten years. Finally, the respondent must file a report with the Commission, within sixty days of the effective date of the Order, indicating how he is complying with the terms of 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.

James A. Tobin,

Acting Secretary.

[FR Doc. 79-26565 Filed 8-24-79; 8:45 am]

BILLING CODE 6750-01-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[18 CFR Parts 2 and 3d]

[Docket No. RM79-69]

Regulations Implementing the National Environmental Policy Act of 1969

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Commission is proposing a new Part 3d of its regulations to replace §§ 2.80 through 2.82 as the basic procedural framework for collecting, evaluating, and disseminating environmental information about Commission actions or the proposed actions of applicants and jurisdictional entities. The regulations are drafted to reflect the policies and procedures of the NEPA regulations issued by the Council on Environmental Quality (40 CFR Parts 1500–1508), consistent with the Commission's independent regulatory responsibilities. The proposed rule lists those actions requiring an Environmental Assessment to determine if there is a major Federal action significantly affecting the quality of the human environment, thereby necessitating an Environmental Impact Statement (EIS). There are certain actions which automatically require an EIS and certain actions which are excluded from environmental reviews altogether, except in unusual circumstances.

Although many of the CEQ regulations are adopted by reference, the proposed rules provides applicants seeking Commission action or approval with a self-contained manual for compliance with NEPA.

DATE: Written comments by September 17, 1979.

ADDRESS: Office of the Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426, Reference Docket No. RM79–69

FOR FURTHER INFORMATION CONTACT:

James Hoecker, Office of the General Counsel, Federal Energy Regulatory Commission, Room 8106, 825 North Capitol Street, N.E., Washington, D.C. 20426, (202) 275–0422, or