

the voting shares of Van Alstyne Financial Corporation, Van Alstyne, Texas, and thereby indirectly acquire The First National Bank of Van Alstyne, Van Alstyne, Texas.

**B. Federal Reserve Bank of San Francisco** (Maria Villanueva, Manager of Analytical Support, Consumer Regulation Group) 101 Market Street, San Francisco, California 94105-1579:

1. *East West Bancorp, Inc.*, San Marino, California; to become a bank holding company by acquiring 100 percent of the voting shares of East-West Bank, San Marino, California.

Board of Governors of the Federal Reserve System, October 1, 1998.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 98-26836 Filed 10-6-98; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL RESERVE SYSTEM

### Formations of, Acquisitions by, and Mergers of bank Holding Companies; Formations of, Acquisitions by, and Mergers of Bank Holding Companies; Correction

This notice corrects a notice (FR Doc. 98-26074) published on pages 52273 and 52274 of the issue for Wednesday, September 30, 1998.

Under the Federal Reserve Bank of New York heading, the entry for Valley National Bancorp, Wayne, New Jersey, is revised to read as follows:

**A. Federal Reserve Bank of New York** (Betsy Buttrill White, Senior Vice President) 33 Liberty Street, New York, New York 10045-0001:

1. *Valley National Bancorp*, Wayne, New Jersey to acquire up to 9.9 percent of the voting shares of Vista Bancorp, Inc., Phillipsburg, New Jersey, and thereby indirectly acquire Phillipsburg National Bank and Trust Company, Phillipsburg, New Jersey, and Twin Rivers Community Bank, Eastern, Pennsylvania.

Comments on this application must be received by October 23, 1998.

Board of Governors of the Federal Reserve System, October 1, 1998.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

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## FEDERAL RESERVE SYSTEM

### 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, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) 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. The notice also will 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.

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 October 21, 1998.

**A. Federal Reserve Bank of Cleveland** (Paul Kaboth, Banking Supervisor) 1455 East Sixth Street, Cleveland, Ohio 44101-2566:

1. *PNC Banc Corp.*, Pittsburgh, Pennsylvania; to acquire Hilliard-Lyons, Inc., Louisville, Kentucky, and thereby indirectly acquire J.J.B. Hilliard, W.L. Lyons, Inc., and Hilliard Lyons Trust Company, both of Louisville, Kentucky, and thereby engage in underwriting and dealing in, to a limited extent, all types of debt, equity, and other securities (other than ownership interests in open-end investment companies) that a member bank may not underwrite or deal in ("bank ineligible securities" or "Tier II Securities") (See, *J.P. Morgan & Co., Inc., The Chase Manhattan Corp., Bankers Trust New York Corp., Citicorp, and Security Pacific Corp.*, 75 Fed. Res. Bull. 192 (1989) and *Citicorp*, 73 Fed. Res. Bull. 473 (1987); provide administrative services to open-end and closed-end investment companies (See *Bankers Trust New York Corp.*, 83 Fed. Res. Bull. 780 (1997); *Commerzbank AG*, 83 Fed. Res. Bull. 67 (1997); and *Mellon Bank Corporation*, 79 Fed. Res. Bull. 626 (1993); provide cash

management services (See *Societe Generale*, 84 Fed. Res. Bull. 680 (1998); provide employee benefit consulting services, pursuant to § 225.28(b)(9)(ii) of Regulation Y (See *Fifth Third Bancorp*, 84 Fed. Res. Bull. 677 (1998); provide credit and credit related services, pursuant to §§ 225.28(b)(1) and (2) of Regulation Y; provide trust company services, pursuant to § 225.28(b)(5) of Regulation Y; provide financial and investment advice, pursuant to § 225.28(b)(6) of Regulation Y; provide securities brokerage, riskless principal, private placement, and other agency transactional services, pursuant to § 225.28(b)(7) of Regulation Y; in investment transactions as principal, including underwriting and dealing in government obligations and money market instruments and investing and trading activities, pursuant to § 225.28(b)(8) of Regulation Y.

Board of Governors of the Federal Reserve System, October 1, 1998.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

[FR Doc. 98-26837 Filed 10-6-98; 8:45 am]

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## FEDERAL TRADE COMMISSION

[File No. 981-0324]

### Medtronic, Inc.; Analysis to Aid Public Comment

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed consent agreement.

**SUMMARY:** The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

**DATES:** Comments must be received on or before December 7, 1998.

**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:** William Baer, FTC/H-374, Washington, DC 20580, (202) 326-2932 or Ann Malester, FTC/S-2308, Washington, DC 20580, (202) 326-2820.

**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 complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for October 1, 1998), on the World Wide Web, at "http://www.ftc.gov/os/actions97.htm." A paper copy can be obtained from the FTC Public Reference Room, Room H-130, Sixth Street and Pennsylvania Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326-3627. 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 of Proposed Consent Order to Aid Public Comment**

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an agreement containing a proposed Consent Order from Medtronic, Inc. ("Medtronic"). The proposed Consent Order contains a number of provision designed to remedy the anticompetitive effects resulting from Medtronic's acquisition of Physio-Control International Corporation's ("Physio-Control") automated external defibrillator business and its ownership interest in SurVivaLink Corporation ("SurVivaLink"), a direct competitor of Physio-Control.

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 proposed Order.

On June 27, 1998, Medtronic entered into an Agreement and Plan of Merger with Physio-Control to acquire all of the voting stock of Physio-Control in exchange for Medtronic voting stock valued at \$530 million. The proposed compliant alleges that the transaction, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the FTC Act, as amended,

15 U.S.C 45, in the market for the research, development, manufacture and sale of automated external defibrillators.

Automated external defibrillators are portable, automated devices used in emergency situation, by persons with limited medical training, such as policemen, firemen and lifeguards, to treat people suffering from sudden cardiac arrest. The market for automated external defibrillators is highly concentrated with only three significant players in the United States: Physio-Control, SurVivaLink and Hewlett-Packard/Heartstream.

The relevant geographic market is the United States. Only companies that have received U.S. Food and Drug Administration approval to sell their devices in the United States may supply automated external defibrillators to U.S. customers.

In addition, new entry into the market for automated external defibrillators is unlikely and would not occur in a timely manner to deter or counteract the adverse competitive effects of Medtronic's acquisition of Physio-Control. Entry into this market is unlikely and would not be timely because of the time and expense required to design and develop a competitively viable product, obtain approvals from the U.S. Food and Drug Administration, and establish a sales and distribution network.

Medtronic's acquisition of Physio-Control raises serious competitive concerns in the market for automated external defibrillators because of its ownership interest in SurVivaLink, Physio-Control's direct competitor. Pursuant to an investment agreement entered into between Medtronic and SurVivaLink, Medtronic was given the explicit right to name a member to SurVivaLink's Board of Directors and to receive certain non-public competitively sensitive information. Medtronic also has the right to receive certain non-public competitively sensitive information under Minnesota law. In addition, Medtronic has the right as a shareholder in SurVivaLink to vote on all matters requiring a shareholder vote. Medtronic's entanglements with SurVivaLink and its acquisition of Physio-Control would cause anticompetitive harm in the market for automated external defibrillators by potentially eliminating direct competition, increasing the likelihood of coordinated interaction, reducing innovation and ultimately increasing prices for automated external defibrillator customers.

The proposed Consent Order remedies the acquisition's

anticompetitive effects in the market for automated external defibrillators by making Medtronic a passive investor in SurVivaLink and by preventing Medtronic from exercising its right to name a member to SurVivaLink's Board of Directors. The proposed Consent Order also prevents Medtronic from exercising its rights, pursuant to its investment agreement with SurVivaLink or under Minnesota law, to receive non-public competitively sensitive information relating to SurVivaLink.

The proposed Consent Order also limits Medtronic's ability to vote on any matter that requires a vote of SurVivaLink's shareholders by requiring Medtronic to delegate its voting rights to be voted in a manner proportional to the votes of all other shareholders. The proposed Consent Order would also prohibit Medtronic from proposing any corporate action or participating in any business decisions of SurVivaLink. Additionally, the proposed Consent Order prevents Medtronic from increasing its ownership interest in SurVivaLink without prior written notice to the Commission. Finally, the proposed Consent Order requires Medtronic to return to SurVivaLink any documents that contain any trade secrets, commercial information or financial information relating to SurVivaLink.

Under the provisions of the proposed Order, Medtronic is also required to provide the Commission with a report of compliance with the provisions of the order within sixty (60) days following the date this Order becomes final, and annually thereafter until such time as Medtronic sells or transfers all of its ownership interest in SurVivaLink or Physio-Control.

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.

By direction of the Commission.

**Donald S. Clark,**

*Secretary.*

[FR Doc. 98-26855 Filed 10-6-98; 8:45 am]

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#### **FEDERAL TRADE COMMISSION**

**[File No. 981-0166]**

#### **Shell Oil Company, et al.; Analysis to Aid Public Comment**

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed Consent Agreement.

**SUMMARY:** The consent agreement in this matter settles alleged violations of