

received at the Reserve Bank indicated or the offices of the Board of Governors not later than September 16, 1998.

A. Federal Reserve Bank of Atlanta (Lois Berthaume, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303-2713:

1. *Acadiana Bancshares, Inc.*, Lafayette, Louisiana; to acquire Cadence Holdings, L.L.C., Lafayette, Louisiana, and thereby engage in consumer lending, pursuant to § 225.28(b)(1) of Regulation Y, issuance and sale of money orders, travelers checks and similar consumer-type payment services, pursuant to § 225.28(b)(13) of Regulation Y, tax-preparation services, pursuant to § 225.28(b)(6)(vi) of Regulation Y, and check cashing services and wire money transfer services, pursuant to *Popular, Inc.*, 84 Fed. Res. Bull. 481 (1998).

Board of Governors of the Federal Reserve System, August 27, 1998.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 98-23539 Filed 8-31-98; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL RESERVE SYSTEM

Sunshine Act Meeting

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

TIME AND DATE: 11:00 a.m., Tuesday, September 8, 1998.

PLACE: Marriner S. Eccles Federal Reserve Board Building, 20th and C 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: Lynn S. Fox, Assistant to the Board; 202-452-3204.

SUPPLEMENTARY INFORMATION: You may call 202-452-3206 beginning at approximately 5 p.m. two business days before the meeting for a recorded announcement of bank and bank holding company applications scheduled for the meeting; or you may contact the Board's Web site at <http://www.bog.frb.fed.us> for an electronic announcement that not only lists applications, but also indicates procedural and other information about the meeting.

Dated: August 28, 1998.

Robert DeV. Frierson,

Associate Secretary of the Board.

[FR Doc. 98-23677 Filed 8-28-98; 3:41 pm]

BILLING CODE 6210-01-P

FEDERAL TRADE COMMISSION

[File No. 981-0127]

Commonwealth Land Title Insurance Company; 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 November 2, 1998.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT: Willard Tom or Patrick Roach, FTC/H-394, Washington, D.C. 20580. (202) 326-2786 or 326-2793.

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 August 26, 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, N.W., Washington, D.C. 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 has accepted, subject to final approval, an agreement containing a proposed Consent Order from Commonwealth Land Title Insurance Company ("Commonwealth"), a subsidiary of LandAmerica Financial Group, Inc. The proposed Consent Order is designed to remedy the anticompetitive effects arising from Commonwealth's proposed consolidation of its title plant for Washington, D.C., with that of a competitor, First American Title Insurance Company ("First American"). Title plants are privately owned collections of records and/or indices that are used by abstractors, title insurers, title insurance agents, and others to determine ownership of and interests in real property in connection with the underwriting and issuance of title insurance policies and for other purposes. Under the terms of the agreement Commonwealth will be required to take certain steps to ensure that its title plant is operated as a separate, independent competitor; to restore its customers to the competitively-determined prices and terms that existed prior to the proposed consolidation; and to refund to its customers amounts charged for title plant services during the pendency of the proposed consolidation in excess of those prior prices and terms.

The proposed Consent Order has been agreed to by Commonwealth and by its parent corporation.¹ The Consent Order has been placed on the public record for 60 days so that the Commission may receive comments from interested persons. Comments received during this period will become part of the public record. After 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.

Title plants are privately-owned collections of title information obtained from public records that can be used to conduct title searches or otherwise

¹ Since the time the proposed Consent Order was agreed to by Commonwealth, Commonwealth has been acquired by Lawyers Title Corporation, now known as LandAmerica Financial Group, Inc. The proposed Order by its terms defines "Commonwealth" broadly to include its parent, which has agreed to be bound by the terms of the Order.

ascertain information concerning ownership of or interests in real property. Title plants typically contain summaries or copies of public records or documents (often in a format that is comparatively easy to store and readily retrievable) as well as indices to facilitate locating relevant records that pertain to a particular property. Title plants permit users to obtain real property ownership information with significantly greater speed and efficiency than by consulting the original public records, which may be located in a number of separate public offices (e.g., offices of the county recorder, tax authorities, and state and federal courts), may be stored in an inconvenient form, and may be indexed in a fashion that makes it difficult to readily research a particular property. Because of the county-specific way in which title information is generated and collected and the highly local character of the real estate markets in which the title plant services are used, geographic markets for title plant services are highly localized, consisting of the county or local jurisdiction embraced by the real property information contained in the title plant.

As in other localities across the country, the use of title plants in the District of Columbia is a result of difficulty in effectively using public sources of title information to conduct title searches. A complete title search in the District involves searching a number of public sources of information, including land records and records of the federal and local courts. As recently as 1980 there were as many as seven title plants in the District, but by late 1996 plant closings and consolidations had shrunk the number to two, operated by Commonwealth and First American.² In addition to using their respective plants for their own title insurance businesses, Commonwealth and First American each sold access to their plants to other title plant users. Most of these users were independent abstractors or abstract companies

² There is one other very limited collection of title information owned by the parent of Commonwealth and leased to a local abstract company. This latter collection of materials is inadequate for conducting title searches but is used by the abstract company for reference purposes. The consent order in *LandAmerica Financial Group, Inc.*, Docket No. C-3808 (May 20, 1998), requires, as to the District of Columbia, that Commonwealth's parent LandAmerica Financial Group, Inc., divest either the Commonwealth title plant interests or its interest in this more limited collection of title information. LandAmerica has requested the Commission's approval to divest the limited title information collection to the abstract company to which it is leased.

conducting title searches for title insurance companies or agents.

Beginning in 1996 or earlier, Commonwealth and First American began to discuss consolidating their title plant operations in the District of Columbia. The purpose of the consolidation was not merely to avoid the duplication of expenditures attendant to the operation of two plants, but also to eliminate competition between the two title plant operators. Both firms had met the costs of the title plants's operations by a combination of revenues received from plant users and from their respective title insurance operations. According to a proposal presented by Commonwealth to First American, the fundamental premise of the consolidation was that the two firms should no longer compete with each other by separately maintaining their respective title plants but should take the "final step" of combining the last two title plants in the District of Columbia so that costs could be reduced and title plant services could be sold at pricing that was of competitive pressure.

Commonwealth and First American in September 1997 executed a letter setting forth their understanding that they would form a joint venture entity to consolidate their respective title plant operations. In November 1997, prior to the formation of the planned joint venture entity, Commonwealth relocated its title plant to the same premises as the First American title plant. At that time customers of both Commonwealth and First American were required to execute new agreements that stated that title plant services were being jointly provided by Commonwealth and First American pending formation of a joint title plant entity. Some forms of title plant access available to Commonwealth users prior to the proposed consolidation were no longer available under the interim agreements. The new rates set in these interim agreements resulted in charges to Commonwealth customers as much as two to three times higher than under the rates and terms applicable to the same customers prior to the proposed consolidation.

Commonwealth and First American did not complete formation of the planned joint title plant entity. After the proposed consolidation was questioned by FTC staff, Commonwealth discontinued its participation in the planned joint venture and undertook to re-establish its title plant as an independent competitor to First American's on the terms embodied in the proposed Consent Order.

The Complaint alleges two distinct grounds on which Commonwealth's actions are a violation of the law. First, by undertaking with First American to jointly set the prices for title plant services before the planned joint venture was legally consummated, Commonwealth acted to increase prices and restrict output in the market for title plant services in the District of Columbia. This conduct had the effect of raising, fixing, and maintaining the price, terms and conditions of compensation paid for title plant services in the District of Columbia, in violation of Section 5 of the FTC Act, 15 U.S.C. 45. This charge conforms to prior Commission policy to apply established antitrust law principles of liability to competitors that engage in coordinated conduct in advance of the consummation of a planned merger or joint venture. See *The Torrington Co. and Universal Bearings, Inc.*, 114 F.T.C. 283 (1991).

In addition, the Complaint charges that the effect of the proposed consolidation of the Commonwealth and the First American title plants, if consummated, may be substantially to lessen competition and to tend to create a monopoly, in violation of Section 7 of the Clayton Act, 15 U.S.C. 18, and Section 5 of the FTC Act, 15 U.S.C. 45, by eliminating direct actual competition between Commonwealth and First American and by increasing the likelihood that Commonwealth and First American, acting in concert, can exercise market power in the market for title plant services in the District of Columbia.

The proposed Consent Order requires Commonwealth to segregate its title plant assets from those of First American, move its title plant to a separate location and thereafter operate its title plant as a fully functional title plant providing title plant services in competition with First American. It further requires Commonwealth to cease and desist from claiming any rights under the interim agreements and for a period of one year to restore its users to the most recent prices, terms and conditions in effect prior to the proposed consolidation. In addition, the proposed Consent Order requires Commonwealth to refund to its users all amounts paid for title plant services during the pendency of the proposed consolidation, to the extent the payments exceeded the amounts payable under the most recent prior terms applicable to the user. If the respondent does not promptly comply with these requirements, the Consent Order permits the Commission to appoint a trustee to carry out the

required actions. Information available to the Commission indicates that Commonwealth has complied with these remedial provisions of the proposed Order.

The Consent Order also includes a requirement that for ten years the respondent provide the Commission with prior notice of various future transactions by the respondent involving title plant interests in the District of Columbia. A prior notice provision is appropriate in this matter because the small transaction size of most individual title plant acquisitions is below the threshold of reportability under the Hart-Scott-Rodino Act (Clayton Act § 7A, 15 U.S.C. § 18a) and because the underlying conduct at issue establishes a credible risk that the respondent will but for an order to the contrary, engage in otherwise unreportable anticompetitive mergers.³ In addition, the Consent Order prohibits Commonwealth, for a period of twenty years, from entering into or attempting to enter into agreements or understandings to raise, fix or stabilize prices for title plant services in the District of Columbia.

Properly structured joint ventures between competitors relating to the production of needed supplies or services can reduce costs and improve economic efficiency without unreasonably restricting competition, where the joint venture preserves the freedom and incentives for the joint venture partners to price and market their goods or services competitively. See, e.g., *United States v. Alcan Aluminum Ltd.*, 605 F. Supp. 619 (W.D. Ky. 1985) (DOJ Consent); *Ethyl Corp. and The Associated Octel Company Limited, and Great Lakes Chemical Corporation*, Docket Nos. C-3814 and C-3815 (June 16, 1998). The proposed Consent Order does not prohibit Commonwealth from entering into arrangements with First American or anyone else to share or reduce the costs of carrying on its title plant operations, so long as the arrangements do not compromise Commonwealth's pricing independence or fix or stabilize the prices or rates for title plant services. Any such arrangements would be subject to review by the Commission under the prior notice provisions of the proposed Order.

The purpose of this analysis is to facilitate public comment on the proposed Consent Order, and it is not intended to constitute an official interpretation of the agreement and

proposed Consent Order or to modify in any way their terms.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 98-23449 Filed 8-31-98; 8:45 am]

BILLING CODE 6750-01-M

FEDERAL TRADE COMMISSION

[File No. 951-0097]

Merck & Co., Inc., 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 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 November 2, 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 or Willard Tom, FTC/H-394, Washington, D.C. 20580. (202) 326-2932 or 326-2786.

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 August 27, 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 has accepted, subject to final approval, an Agreement Containing Consent Order from Merck and Co., Inc. ("Merck") and Merck-Medco Managed Care, LLC ("Medco"), (or "Proposed Respondents") in resolution of antitrust concerns arising from Merck's acquisition of Medco.

The proposed consent order ("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.

The Commission has reason to believe that Merck's acquisition of Medco may substantially lessen competition in 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. The Order, if issued by the Commission, would settle the allegations of the proposed Complaint ("Complaint").

The Complaint in this matter alleges that Merck is engaged in the development, production and sale of pharmaceutical products, including Mevacor and Zocor, which are HMG-CoA reductase inhibitors used for treating high cholesterol; and Prinivil and Vasotec, which are ACE Inhibitors used for treating hypertension, high blood pressure and heart disease. It further alleges that Merck's subsidiary, Medco, is engaged in the business of providing pharmacy benefit management services to corporations, insurance companies, labor unions, third party payors, and other members of the healthcare industry.

The Complaint further alleges that a relevant line of commerce within which to analyze the effects of this acquisition is the provision of pharmacy benefit management ("PBM") services by national full-service PBM firms, and any narrower markets contained therein. Other relevant lines of commerce within which to analyze the effects of this acquisition are the development, manufacture and sale of pharmaceutical products in specific therapeutic

³See Statement of FTC Policy Concerning Prior Approval and Prior Notice Provisions (June 21, 1995).