

1. *Capitol Bancorp. Ltd.*, Lansing, Michigan; Sun Community Bancorp Limited, Phoenix, Arizona; and Nevada Community Bancorp Limited, Las Vegas, Nevada; to become bank holding companies by acquiring 51 percent of the voting shares of Desert Community Bank, Las Vegas, Nevada.

Comments on this application must be received by June 11, 1999.

Board of Governors of the Federal Reserve System, May 19, 1999.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-13087 Filed 5-21-99; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than June 23, 1999.

A. Federal Reserve Bank of Boston (Richard Walker, Community Affairs Officer) 600 Atlantic Avenue, Boston, Massachusetts 02106-2204:

1. *Fleet Financial Group, Inc.*, Boston, Massachusetts; to acquire 100 percent of the voting shares of BankBoston Corporation, Boston, Massachusetts, and thereby indirectly acquire BankBoston,

National Association, Boston, Massachusetts; BankBoston Maine, National Association, South Portland, Maine; and Bank of Boston - Florida, National Association, Boca Raton, Florida.

In connection with this application, Applicant also has applied to acquire all of BankBoston's direct and indirect nonbank subsidiaries including, BancBoston Robertson Stephens, Inc., Boston, Massachusetts, and thereby engage in underwriting bank ineligible securities, including equity securities and high yield debt, both through public offerings and private placements; providing advice in connection with mergers and acquisitions; brokerage activities; providing equity research to institutional and high net worth customers, pursuant to §§ 225.28(b)(1), (6), (7) and (8) of Regulation Y, *see Bank of Boston Corp.*, 74 Fed. Res. Bull. 10 (1988); *Bank of Boston Corp.*, 83 Fed. Res. Bull. 10 (1997); *BankBoston Corp.*, 84 Fed. Res. Bull. 10 (1998); RIHT Life Insurance Company, Phoenix, Arizona, and thereby engage in reinsuring credit life and health insurance for borrowers of BankBoston, N.A. or its subsidiaries in connection with extensions of credit to such borrowers, pursuant to § 225.28(b)(11) of Regulation Y; BancBoston Leasing Investments, Inc., Boston, Massachusetts, and thereby engage in leasing personal and real property, pursuant to § 225.28(b)(3) of Regulation Y; BancBoston Investments, Inc., Boston, Massachusetts, and thereby engage in venture capital investments, including secured and unsecured lending and voting and nonvoting equity investments, pursuant to § 225.28(b)(1) of Regulation Y; Back Bay Capital Funding LLC, Wilmington, Delaware, and thereby engage in asset-based lending, pursuant to § 225.28(b)(1) of Regulation Y; BankBoston (NH), N.A., Nashua, New Hampshire, and thereby engage in certain credit card activities, pursuant to § 225.28(b)(1) of Regulation Y; Partners First Holdings LLC, Delaware, and thereby engage in credit card activities, pursuant to § 225.28(b)(1) of Regulation Y; Partners First Receivables LLC, Delaware, and thereby engage in credit card activities, pursuant to § 225.28(b)(1) of Regulation Y; Partners First Funding LLC, Delaware, and thereby engage in credit card activities, pursuant to § 225.28(b)(1) of Regulation Y.

B. Federal Reserve Bank of Kansas City (D. Michael Manies, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. *J.R. Montgomery Bancorporation*, Lawton, Oklahoma; to acquire an

additional 11.8 percent, for a total of 50.1 percent of the voting shares of Fort Sill National Bank, Fort Sill, Oklahoma. Comments regarding this application must be received not later than June 18, 1999.

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

1. *Pacific Community Banking Group*, Laguna Hills, California; to become a bank holding company by acquiring 100 percent of the voting shares of The Bank of Hemet, Riverside, California, and Valley Bank, Moreno Valley, California. Comments regarding this application must be received not later than June 18, 1999.

Board of Governors of the Federal Reserve System, May 19, 1999.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-13088 Filed 5-21-99; 8:45 am]

BILLING CODE 6210-01-F

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 June 7, 1999.

A. Federal Reserve Bank of Minneapolis (JoAnne F. Lewellen,

Assistant Vice President) 90 Hennepin Avenue, P.O. Box 291, Minneapolis, Minnesota 55480-0291:

1. *Northern Star Financial, Inc.*, Mankato, Minnesota; to acquire 49 percent of the interest in Homeland Mortgage, LLC, Morris, Minnesota, and thereby enter into a joint venture relationship with West Central Service Corporation, Inc., Morris, Minnesota, a subsidiary of First Federal Holding Company of Morris, Inc., Morris, Minnesota, a registered savings and loan holding company, and thereby engage *de novo* in making and servicing of real estate mortgage loans, pursuant to § 225.28(b)(1) of Regulation Y.

Board of Governors of the Federal Reserve System, May 18, 1999.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-12965 Filed 5-21-99; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL TRADE COMMISSION

[File No. 9910101]

Provident Companies, 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 July 23, 1999.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Jacqueline Mendel, FTC/S-2019, 601 Pennsylvania Avenue, NW, Washington, DC 20580, (202) 326-2603.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and § 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 the 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 May 18th, 1999), 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, 600 Pennsylvania Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326-3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, NW, Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. 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 § 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 Provident Companies, Inc. ("Provident") and UNUM Corporation ("UNUM"), under which Provident and UNUM will be required to submit data relating to disability insurance sold to individuals to an independent entity responsible for soliciting, aggregating, and publishing industry-wide actuarial tables, studies and reports.

The proposed Consent Order has been placed on the public record for sixty (60) days for reception of comments from interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the proposed Consent Order and the comments received, and will decide whether it should withdraw from the proposed Consent Order or make final the proposed Order.

On November 22, 1998, Provident and UNUM entered into an Agreement and Plan of Merger whereby the companies will form a new entity, UNUM Provident Corporation, with a combined stock value of \$11.43 billion. The proposed Complaint alleges that the merger, if consummated, would violate section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and section 5 of the Federal Trade Commission Act, as

amended, 15 U.S.C. 45, in the market for disability insurance sold to individuals.

Provident and UNUM are two of the leading providers of disability insurance sold to individuals. Total premiums from individual disability insurance policies were over \$4 billion last year. Disability insurance protests against loss of income due to disability from sickness, accident or injury. Unlike group disability insurance, which is made available to consumers by a third party, e.g., an employer or other organization, individual disability insurance is purchased by consumers themselves, who individually hold policies. Individual disability insurance policies are sold primarily to people who do not have group disability insurance coverage available through their employers or other organizations, or who desire to supplement group disability insurance. Each such individual disability insurance policy is individually underwritten, based on the applicant's medical background, financial portfolio and income projection, and occupation.

The proposed merger of Provident and UNUM raises antitrust concerns in the market for disability insurance sold to individuals. If Provident and UNUM merge, they will control a significant percentage of all data relating to individual disability claims. Such data is used by insurance providers to make actuarial predictions about the type, occurrence and duration of disability claims used to design and price individual disability insurance policies. In order to assist insurance providers that only have a limited amount of proprietary claims data, independent entities such as the Society of Actuaries solicit, aggregate, and publish industry-wide actuarial tables, studies and reports. Because of the amount of all industry data it will control, UNUMProvident's participation in industry-wide solicitations for data made by the Society of Actuaries and other industry groups designated to conduct industry-wide solicitations by the National Association of Insurance Commissioners ("NAIC") is essential in order to ensure that resulting actuarial projects are credible.

Further, timely entry in the market for disability insurance sold to individuals on the scale necessary to offset the competitive harm resulting from the combination of Provident and UNUM is highly unlikely because of significant impediments to new entry. In addition to requiring data on past claims in order to price and design its individual disability insurance products, a new entrant would need expertise to predict morbidity—the likelihood that an