

4. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission it, together with the draft of complaint contemplated thereby, will be placed on the public record for a period of sixty (60) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify the Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision, in disposition of the proceeding.

5. This agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft of complaint here attached, or that the facts as alleged in the draft complaint, other than jurisdictional facts, are true.

6. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to Proposed Respondent, (1) issue its complaint corresponding in form and substance with the draft of complaint here attached and its decision containing the following order to divest and to cease and desist in disposition of the proceeding, and (2) make information public with respect thereto. When so entered, the order 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. Delivery by the U.S. Postal Service of the complaint and decision containing the agreed-to order to Proposed Respondent shall constitute service. Proposed Respondent waives any right it may have to any other manner of 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 the agreement may be used to vary or contradict the terms of the order.

7. Proposed Respondent has read the proposed complaint and order contemplated hereby. Proposed Respondent understands that once the order has been issued, it will be required to file one or more compliance reports showing that it has fully

complied with the order. Proposed Respondent further understands it may be liable for civil penalties in the amount provided by law for each violation of the order by Proposed Respondent or any agent of Proposed Respondent after it becomes final. By signing this Agreement, Proposed Respondent represents that the relief contemplated by this Agreement can be accomplished.

Order

I

It is ordered that, as used in this order, the following definitions shall apply:

A. "Respondent" or "Johnson & Johnson" means Johnson & Johnson, its directors, officers, employees, agents and representatives, predecessors, successors and assigns; its subsidiaries, divisions, and groups and affiliates controlled by Johnson & Johnson, and the respective directors, officers, employees, agents, and representatives, successors, and assigns of each.

B. "Cordis" means Cordis Corporation, its directors, officers, employees, agents and representatives, predecessors, successors and assigns; its subsidiaries, divisions, and groups and affiliates controlled by Cordis, and the respective directors, officers, employees, agents, and representatives, successors, and assigns of each.

C. "Cordis Innovative Systems" means Cordis Innovative Systems Inc., its directors, officers, employees, agents and representatives, predecessors, successors and assigns; its subsidiaries, divisions, and groups and affiliates controlled by Cordis Innovative Systems, and the respective directors, officers, employees, agents, and representatives, successors, and assigns of each.

D. "Nobles-Lai" means Nobles-Lai Engineering, Inc. (formerly known as Visioneering, Inc.), its directors, officers, employees, agents and representatives, predecessors, successors and assigns; its subsidiaries, divisions, and groups and affiliates controlled by Nobles-Lai, and the respective directors, officers, employees, agents, and representatives, successors, and assigns of each.

E. "Commission" means the Federal Trade Commission.

F. "Merger" means the stock-for-stock merger of Johnson & Johnson and Cordis pursuant to the merger agreement dated November 12, 1995.

G. "Assets and Businesses" means all assets, properties, business and goodwill, tangible and intangible, including, without limitation, the following:

1. All real property interests, including rights, title and interest in and to owned or leased property, together with all buildings, improvements, appurtenances, licenses and permits;

2. All machinery, fixtures, equipment, vehicles, transportation facilities, furniture, tools and other tangible personal property;

3. All customer lists, vendor lists, catalogs, sales promotion literature, advertising materials, research materials, technical information, management information systems, software, software licenses, inventions, copyrights, trademarks, trade names, trade secrets, intellectual property, patents, technology, know-how, specifications, designs, drawings, processes and quality control data;

4. Inventory, supplies and storage capacity;

5. All rights, title and interest in and to the contracts entered into in the ordinary course of business with Nobles-Lai, customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors and consignees;

6. All rights under warranties and guarantees, express or implied;

7. All books, records, and files; and

8. All items of prepaid expense.

H. "Cordis Neuroscience Business" means:

1. Cordis Innovative Systems and all of its Assets and Businesses; and

2. All of Cordis's rights, title, and interest, as of November 11, 1995, in all Assets and Businesses relating to the development, manufacture, distribution and sale of Neuroscience Products, including, but not limited to, all interest in Nobles-Lai.

I. "Neuroscience Products" means:

1. Neurological shunts, including, but not limited to, the Orbis-Sigma and Hakim shunt products;

2. Neurological external drainage systems, including, but not limited to, External Drainage Systems (EDS) and External Ventricular Drainage System Set (EDVS) products; and

3. Neuroendoscopy products, including, but not limited to, the Vision 2020 neuroendoscope product and the Cordis HawkVision Neuroendoscopy System.

J. "Neurological Shunts" means systems consisting of a ventricular catheter, a distal catheter, and a valve that are implanted in the brain to divert cerebrospinal fluid (CSF) into the bloodstream of patients experiencing excessive intracranial pressure because of a surplus of CSF inside the skull.