

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

In the Matter of)	
)	
THE LOEWEN GROUP INC.,)	Docket No. C-3678
a corporation, and)	
)	
LOEWEN GROUP INTERNATIONAL, INC.,)	
a corporation.)	

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act ("FTC Act"), and by virtue of the authority vested in it by said Act, the Federal Trade Commission ("Commission"), having reason to believe that The Loewen Group Inc., a corporation, and Loewen Group International, Inc., a corporation, hereinafter sometimes referred to as respondents, have entered into an agreement with Heritage Family Funeral Services, Inc., a corporation, that violates said Act; that through the agreement respondents have agreed to acquire Heritage Family Funeral Services, Inc. and that such acquisition, if consummated, would violate Section 7 of the Clayton Act and Section 5 of the FTC Act; and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

I. DEFINITION

1. For the purposes of this complaint, the following definition shall apply:

"Funeral" means a group of services provided at the death of an individual, the focus of which is some form of commemorative ceremony of the life of the deceased at which ceremony the body is present; this group of services ordinarily includes, but is not limited to: the removal of the body from the place of death; its embalming or other preparation; making available a place for visitation and viewing, for the conduct of a funeral service, and for the display of caskets and outside cases; and the arrangement for and conveyance

of the body to a cemetery or crematory for final disposition.

II. THE RESPONDENTS

2. Respondent The Loewen Group Inc. ("Loewen Group") is a corporation organized, existing and doing business under and by virtue of the laws of the province of British Columbia, Canada, with its office and principal place of business located at 4126 Norland Avenue, Burnaby, British Columbia, Canada V5G 3S8.
3. Respondent Loewen Group International, Inc. ("Loewen Group International"), is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 50 East River Center Boulevard, Covington, Kentucky 41011. Respondent Loewen Group International is a wholly-owned subsidiary of Respondent Loewen Group.
4. Loewen Group and Loewen Group International are, and at all times relevant herein have been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and are corporations whose businesses are in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

III. ACQUIRED COMPANY

5. Heritage Family Funeral Services, Inc. ("Heritage"), is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its office and principal place of business located at 300 Broad Street, Citizens Plaza, Suite 300 Elizabethton, Tennessee 37643.
6. Heritage is, and at all times relevant herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and is a corporation whose business is in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

IV. THE PROPOSED ACQUISITION

7. On or about January 26, 1993, Loewen Group through its wholly-owned subsidiary Loewen Group International entered into an Agreement with Heritage to acquire 100% of the voting securities of Heritage.

V. THE RELEVANT MARKET

8. The relevant line of commerce in which to analyze the proposed acquisition of Heritage is the provision of funerals.
9. The relevant section of the country in which to analyze the proposed acquisition is Castlewood, Virginia, and its immediate environs ("Castlewood area").
10. The relevant market set forth in paragraphs 8 and 9 is concentrated, whether measured by the Herfindahl-Hirschman Index or by two-firm concentration ratios.
11. Entry into the market is difficult.
12. In the relevant market, both Loewen Group International and Heritage own funeral establishments and are actual competitors in the provision of funerals. Heritage is the largest firm, and Loewen Group International is the only other firm providing funerals in the Castlewood area.

VI. EFFECT OF THE ACQUISITION

13. The effect of the acquisition may be substantially to lessen competition in the relevant market 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, in the following ways, among others:
 - a. by eliminating actual competition between Loewen Group International and Heritage; and
 - b. by creating a monopoly in the relevant market.

VII. VIOLATION CHARGED

14. The agreement described above in paragraph 7 constitutes a violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and the acquisition described above, if consummated, would violate 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.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission has caused this Complaint to be signed by the Secretary and its official seal to be affixed, at Washington, D.C. this twenty-ninth day of July, 1996.

By the Commission, Chairman Pitofsky recused.

Benjamin I. Berman
Acting Secretary

SEAL: