

**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**

In the Matter of	)	
	)	
COMPUTER SCIENCES CORPORATION,	)	Docket No. C-3991
a corporation,	)	COMPLAINT
	)	
and	)	
	)	
MYND CORPORATION,	)	
a corporation.	)	
	)	

The Federal Trade Commission (“Commission”), having reason to believe that Computer Sciences Corporation (“CSC”), a corporation subject to the jurisdiction of the Commission, has agreed to acquire the outstanding common stock of Mynd Corporation (“Mynd”), a corporation subject to the jurisdiction of the Commission, in violation of 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, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

**I. DEFINITIONS**

1. “Claims Assessment Systems” means computer software and other intellectual property used by insurance companies and others to evaluate appropriate payments for claims for bodily injury or to evaluate return-to-work plans in workers compensation claims, including, but not limited to, the software packages known as Claims Outcome Advisor and Colossus.
2. “Acquisition Agreement” means the agreement between CSC and Mynd for CSC’s proposed acquisition of the outstanding common stock of Mynd pursuant to the Agreement and Plan of Merger dated June 20, 2000.
3. "Respondents" means CSC and Mynd.

**II. RESPONDENTS**

4. Respondent CSC is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nevada, with its executive offices located at 2100 E. Grand Avenue, El Segundo, California 90245. CSC, among other things, is engaged in the sale of Claims Assessment Systems.

5. Pursuant to the Acquisition Agreement, CSC will purchase the outstanding common stock of Mynd.

6. Respondent Mynd is a corporation organized, existing and doing business under and by virtue of the laws of the State of South Carolina, with its executive offices located at One Mynd Center, Blythewood, South Carolina 29016. Mynd is engaged, among other things, in the sale of Claims Assessment Systems.

7. Respondents CSC and Mynd 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 business is in, or affects, commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

### **III. THE ACQUISITION**

8. On June 20, 2000, CSC and Mynd entered into an Acquisition Agreement under which CSC is to acquire the outstanding common stock of Mynd for an amount valued, at the time of entering into the Acquisition Agreement, at approximately \$568 million (“Acquisition”).

### **IV. THE RELEVANT MARKETS**

9. For the purposes of this Complaint, the relevant line of commerce in which to analyze the effects of the Acquisition is the provision of Claims Assessment Systems.

10. The United States is one relevant geographic area within which to analyze the likely effect of the proposed acquisition on competition in the Claims Assessment Systems market.

### **V. THE STRUCTURE OF THE MARKETS**

11. The market for Claims Assessment Systems in the relevant geographic area is highly concentrated. CSC and Mynd are the only significant competitors in the provision of Claims Assessment Systems.

### **VI. BARRIERS TO ENTRY**

12. Entry into the market for providing Claims Assessment Systems would not be likely or sufficient, and would not occur in a timely manner to deter or counteract the adverse competitive effects described in Paragraph 13, because of, among other things, the time and expense necessary to develop the systems.

### **VII. EFFECTS OF THE ACQUISITION**

13. The effects of the Acquisition, if consummated, may be substantially to lessen competition and to tend to create a monopoly 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 increasing concentration substantially in a highly concentrated market;
- b. by eliminating actual, direct and substantial competition between CSC and Mynd in the relevant market;
- c. by creating a monopoly or near monopoly;
- d. by facilitating the unilateral exercise of market power by the merged firm;
- e. by likely increasing prices for Claims Assessment Systems; and
- f. by likely reducing innovation as a result of delayed or reduced product development.

#### **VIII. VIOLATIONS CHARGED**

14. The Acquisition Agreement described in Paragraph 8 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

15. The Acquisition described in Paragraph 8, 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.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this twentieth day of December, 2000, issues its Complaint against said Respondents.

By the Commission.

Donald S. Clark  
Secretary

SEAL: