

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

In the Matter of)	
)	
THE LOEWEN GROUP INC.,)	Docket No. C-3677
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 acquired Garza Memorial Funeral Home, Inc., a corporation, and Thomae-Garza Funeral Directors, Inc., a corporation, 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; 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. At the time of the acquisition, Garza Memorial Funeral Home, Inc. ("Garza Memorial") was a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its office and principal place of business located at 1025 East Jackson Street, Brownsville, Texas 78520.
5. At the time of the acquisition, Thomae-Garza Funeral Directors, Inc. ("Thomae-Garza") was a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its office and principal place of business located at 395 South Houston, San Benito, Texas 78586.
6. Loewen Group, Loewen Group International, Garza Memorial, and Thomae-Garza 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. THE ACQUISITIONS

7. On or about October 28, 1991, Loewen Group through its wholly-owned subsidiary Loewen Group International acquired 100% of the voting securities of Garza Memorial.

8. On or about July 17, 1992, Loewen Group through its wholly-owned subsidiary Loewen Group International acquired 100% of the voting securities of Thomae-Garza.

IV. THE RELEVANT MARKETS

9. For purposes of this complaint, the relevant line of commerce in which to analyze the effects of the acquisitions of Garza Memorial and Thomae-Garza is the provision of funerals.
10. For purposes of this complaint, the relevant section of the country in which to analyze the effects of the acquisition of Garza Memorial is Brownsville, Texas, and its immediate environs; and the relevant section of the country in which to analyze the effects of the acquisition of Thomae-Garza is Harlingen/San Benito, Texas, and its immediate environs.
11. The relevant markets set forth in paragraphs 9 and 10 are concentrated, whether measured by the Herfindahl-Hirschman Index or by two-firm and four-firm concentration ratios.
12. Entry into the relevant markets set forth in paragraphs 9 and 10 is difficult.
13. In the relevant markets, Loewen Group International and Garza Memorial were actual competitors in the provision of funerals, and Loewen Group International and Thomae-Garza were actual competitors in the provision of funerals.

V. EFFECT OF THE ACQUISITIONS

14. The effect of the acquisitions has been to substantially lessen competition in the relevant markets 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 Garza Memorial, and between Loewen Group International and Thomae-Garza;
 - b. by increasing the likelihood of collusion in the relevant markets; and
 - c. by increasing the likelihood that Loewen Group International will unilaterally exercise market power in Brownsville, Texas, and its immediate environs.

VI. VIOLATIONS CHARGED

15. The acquisitions described in Paragraphs 7 and 8 constitute violations 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 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: