

**ANALYSIS OF THE AGREEMENT CONTAINING CONSENT ORDERS  
TO AID PUBLIC COMMENT**

*In the Matter of Service Corporation International, File No. 091-0138,  
Docket No. C-*

**I. Introduction**

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an Agreement Containing Consent Orders (“Consent Agreement”) from Service Corporation International (“SCI”) that will completely remedy the anticompetitive effects that would likely result from SCI’s proposed acquisition of Palm Mortuary, Inc. (“Palm”). Under the terms of the proposed Consent Agreement, SCI is required to divest a cemetery, Davis Memorial Park, an associated funeral home in the Las Vegas, Nevada, metropolitan area, rights to the Davis trade name, and the pre-need service contracts relating to both the associated Davis Funeral Home and a second Davis Funeral Home owned by SCI in the Las Vegas area.

The proposed Consent Agreement has been placed on the public record for thirty (30) days to

### III. The Complaint

According to the Commission's proposed Complaint, the relevant product market in which SCI and Palm compete is the provision and sale of cemetery services in the Las Vegas, Nevada, metropolitan area. Cemetery services include the traditional products and services offered by perpetual care cemeteries, including burial spaces, opening and closing of graves, memorials and burial vaults, mausoleum spaces, cemetery maintenance and upkeep, and advance disposition planning.

Concentration in the market for cemetery services in the Las Vegas area is very high, and service

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<sup>1</sup> In calculating market shares, the Commission relied on the number of "calls" (funerals or interments) of each competitor rather than dollar revenues.

Commission notifies SCI that either the purchaser is not an acceptable acquirer or that the asset purchase agreement is not an acceptable manner of divestiture, then SCI must immediately rescind the transaction in question and divest those assets within six (6) months of the date the Order becomes final to an acquirer and in a manner that receives the prior approval of the Commission.

The Consent Agreement further requires SCI to maintain the economic viability, marketability, and competitiveness of the Divestiture Business until the potential acquirer is approved by the Commission and the divestiture is complete. For six (6) months following the divestiture, SCI is required to provide transitional services, as needed, to assist the acquirer of the Divestiture Business.

The proposed Consent Agreement also allows the Commission to appoint an interim monitor to ensure SCI's compliance with the Order to Maintain Assets and a trustee to divest any divestiture assets that SCI fails to timely divest. The Commission also may seek civil penalties from SCI for non-compliance with the Consent Agreement.

The proposed Consent Agreement prohibits SCI from acquiring any interest or assets engaged in the provision of cemetery services in the Las Vegas metropolitan area for ten (10) years without providing prior written notice to the Commission. In addition, SCI is required to file periodic reports of compliance with the proposed orders.

The purpose of this analysis is to facilitate public comment on the proposed Consent Agreement, and it is not intended to constitute an official interpretation of the proposed Consent Agreement or to modify its terms in any way.