

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman
William E. Kovacic
J. Thomas Rosb
Edith Ramirez
Julie Brill

_____)	
In the Matter of)	
)	
AEA Inv .P.)	
a limited partnership,)	
)	
HHI Holding Corporation,)	
a corporation, and)	
)	
Houghton International, In c.)	Docket No. C-4297
a corporation.)	
)	
)	
_____)	

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission ("Commission"), having reason to believe that Respondent AEA Investors 2006 Fund, LP., Respondent HHI Holding Corporation and Respondent Houghton International, Inc. ("Houghton"), violated Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. § 45, by purchasing D.A. Stuart Holding GmbH ("Stuart") from Wilh. Werhahn KG ("Werhahn"), 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. RESPONDENTS AND JURISDICTION

A. AEA

1.

13. Houghton is an international manufacturer

IV. MARKET PARTICIPANTS AND CONCENTRATION

22. Five firms produce AHRO in North America. Two large aluminum hot mill customers partially supply their own AHRO needs and three firms produce AHRO commercially. The Acquisition reduces the total number of producers from five to four.
23. The Acquisition greatly increases concentration in the relevant market. Stuart and Houghton together control approximately 75% of the North American market for AHRO.

V. ANTICOMPETITIVE EFFECTS

24. The proposed acquisition may substantially lessen competition in the following ways, among others:
 - a. by eliminating actual, direct and substantial competition between Houghton and Stuart in the sale of AHRO and associated technical support services in the relevant market;
 - b. by combining the two dominant suppliers of AHRO and associated technical support services in the United States, thereby substantially increasing concentration in the already concentrated market for the sale of AHRO and associated technical support services in North America;
 - c. by eliminating Stuart as the closest substitute to Houghton AHRO and associated technical support services in North America;
 - d. by increasing the likelihood that a combined Houghton and Stuart will unilaterally exercise market power in the sale and distribution of AHRO and associated technical support services;

each of which increases the likelihood that prices for AHRO and associated technical support services will increase above competitive levels, and that competition for the sale of AHRO and associated technical support services is likely to decrease in the relevant market.

VI. ENTRY CONDITIONS

25. Entry into the relevant markets is difficult and would not be likely, timely or sufficient to remedy the anticompetitive effects of the proposed acquisition.

VII. VIOLATIONS

26. The allegations contained in paragraphs 1-25 are repeated and realleged as though fully set forth here.

27. Respondents' acquisition of Stuart substantially lessened 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.
28. The Agreement described in paragraph 17 constitutes a violation of Section 5 of the FTC Act, 15 U.S.C. § 45, as amended.

IN WITNESS WHEREOF, the Federal Trade Commission has caused this complaint to be signed by the Secretary and its official seal to be affixed hereto, at Washington, D.C., this twenty-sixth day of August, 2010.

By the Commission.

Donald S. Clark
Secretary

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