

UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Joseph J. Simons, Chairman  
Noah Joshua Phillips  
Rohit Chopra  
Rebecca Kelly Slaughter  
Christine S. Wilson

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In the Matter of )  
 )  
Tri Star Energy, LLC, )  
a limited liability company, )  
 )  
Hollingsworth Oil Company, Inc., )  
a corporation, )  
 )  
C & H Properties, )  
a general partnership, and )  
 )  
Mr. Ronald L. Hollingsworth, )  
a natural person. )  
\_\_\_\_\_

Docket No. C-4720  
REDACTED PUBLIC VERSION

DECISION

The Federal Trade Commission (“Commission”) initiated an investigation of the proposed acquisition by Respondent Tri Star Energy, LLC (“Tri Star”) of certain assets of Respondent Hollingsworth Oil Company, Inc. (“HOC”) and Respondent C & H Properties, among other entities, from Respondent Mr. Ronald L. Hollingsworth (“Hollingsworth”), collectively “Respondents.” The Commission’s Bureau of Competition prepared and furnished to Respondents the Draft Complaint, which it proposed to present to the Commission for consideration. If issued by the Commission, the Draft Complaint would charge Respondents

alleged in the Draft Complaint, other than jurisdictional facts, (3) waivers and other provisions as required by the Commission's Rules, and (4) a proposed Decision and Order and Order to Maintain Assets.

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect. The Commission accepted the Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. At the same time, it issued and served its Complaint and Order to Maintain Assets. Now, in further conformity with the procedure described in Rule 2.34, the Commission makes the following jurisdictional findings and issues the following Decision and Order ("Order"):

1. Respondent Tri Star is a limited liability company 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 1740 Ed Temple Boulevard, Nashville, Tennessee 37208.
2. Respondent HOC 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 1503 Memorial Boulevard, Springfield, Tennessee 37172.
3. Respondent C & H Properties is a general partnership 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 1503 Memorial Boulevard, Springfield, Tennessee 37172.
4. Respondent Hollingsworth is a natural person with his office and principal place of business located at 1503 Memorial Boulevard, Springfield, Tennessee 37172.
5. The Federal Trade Commission has jurisdiction over the subject matter of this proceeding and of Respondents, and this proceeding is in the public interest.

## ORDER

### I. Definitions

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

- A. "Tri Star" means Tri Star Energy, LLC, its directors, officers, employees, agents, representatives, successors, and assigns; its joint ventures, subsidiaries, divisions, groups, and affiliates in each case controlled by Tri Star and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. "HOC" means Hollingsworth Oil Company, Inc, its directors, officers, employees, agents, representatives, successors, and assigns; its joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates, in each case controlled by HOC, and the

respective directors, officers, employees, agents, representatives, successors, and assigns of each.

- C. "C & H" means C & H Properties, its partners, directors, officers, employees, agents, representatives, successors, and assigns; its joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates, in each case controlled by C & H, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- D. "Hollingsworth" means Ronald L. Hollingsworth, a natural person, all partnerships, joint ventures, subsidiaries, divisions, groups, and affiliates controlled by Ronald L. Hollingsworth (including HOC and C & H), and the respective partners, directors, officers, employees, agents, representatives, successors, and assigns of each.
- E. "Commission" means the Federal Trade Commission.
- F. "Acquirer" means: (i) Cox Oil Company, Inc. or (ii) any other Person that acquires the Retail Fuel Assets pursuant to this Order.
- G. "Acquisition" means the proposed acquisition described in the Purchase Agreement by and among Hollingsworth Oil Company, Inc., Lynn Transport, LLC, C&H Properties, Hollingsworth Family Limited Partnership, H&S Properties, Tich Services, LLC, Ronald L. Hollingsworth, Tri Star Energy, LLC, and Tri Star Transport, LLC, dated March 6, 2020, as amended.
- H. "Acquisition Date" means the date the Acquisition is consummated.
- I. "Business Information" means books, records, data, and information, wherever located and however stored, including documents, written information, graphic materials, and data and information in electronic format, along with the knowledge of employees, contractors, and representatives. Business Information includes records and information relating to sales, marketing, advertising, personnel, accounting, business strategy, information technology systems, customers, suppliers, research and development, underground storage tank (UST) system registrations and reports, licenses, and permits (to the extent transferable) and operations. For clarity, Business Information includes Respondents' rights and control over information and material provided to any other Person.
- J. "Confidential Business Information" means all Business Information not in the public domain that is related to or used in connection with the Retail Fuel Assets or the conduct of the Retail Fuel Outlet Business, except for any information that was or becomes generally available to the public other than as a result of disclosure by Respondents, and includes, but is not limited to, pricing information, marketing methods, market

procurement practices and information, supplier qualification and approval practices and information, and training practices.

- K. "Consent" means any approval, consent, ratification, waiver, or other authorization.
- L. "Contract" means all agreements, contracts, licenses, leases (including, but not limited to, ground leases and subleases), consensual obligations, binding commitments, promises and undertakings (whether written or oral and whether express or implied), whether or not legally binding.
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provision, and retail sale of Fuel Products, and other related services; and (2) supply, installation, and maintenance of equipment for the purpose of dispensing Fuel Product at the location.

W. "Intellectual Property" means intellectual property of any kind including, but not limited to, patents, patent applications, mask works, trademarks, service marks, copyrights, trade dress, commercial names, internet web sites, internet domain names, inventions, discoveries, written and unwritten know-how, trade secrets, and proprietary information.

X. "Inventories" means all inventories of every kind and nature for retail sale associated with the Retail Fuel Assets including: (1) all Fuel Products, kerosene, and other petroleum-based motor fuels stored in bulk and held for sale to the public; and (2) all usable, non-damaged and non-out-of-date products and items held for sale to the public, including, without limitation, all food-related items requiring further processing, packaging, or preparation and ingredients from which products are made to be sold.

Y. "Monitor" means any Person appointed by the Commission as monitor pursuant to this Order or the Order to Maintain Assets.

Z. "Order to Maintain Assets" means the Order to Maintain Assets incorporated into and made a part of the Consent Agreement.

AA. "Person" means any individual, partnership, firm, corporation, association, trust, unincorporated organization, or other entity or governmental body.

BB. "Prior Notice Outlet" means the Retail Fuel Assets.

CC. "Products" means any Fuel Products or merchandise products relating to the Retail Fuel Outlet Business.

DD. "Respondent's Brands" means all of Respondent's trademarks, trade dress, logos, service marks, trade names, brand names, and all associated Intellectual Property used in connection with or related to the Retail Fuel Outlet Business

EE. "Retail Fuel Assets" means all of Respondent's right, title, and interest in and to all property and assets, real, personal, or mixed, tangible and intangible, of every kind and description, wherever located, relating to, used in, or reserved for use in their Retail Fuel Outlet Business, including, but not limited to:

1. All real property interests (including fee simple interests and real proeTJ 0 Tc 0 Tw [(, i)-



- JJ. "Transition Assistance" means technical services, personnel, assistance, training, the supply of Products, and other logistical, administrative, and other transitional support as required by the Acquirer and approved by the Commission to facilitate the transfer of the Retail Fuel Assets from the Respondent to the Acquirer, including, but not limited to, services, training, personnel, and support related to: audits, finance and accounting, accounts receivable, accounts payable, employee benefits, payroll, pensions, human resources, information technology and systems, maintenance and repair of facilities equipment, Fuel Products supply, purchasing, quality control, R&D support, technology transfer, use of Respondent's assets for transitional purposes, operating permits and licenses, regulatory compliance, sales and marketing, customer service, and claim management and customer transfer logistics.
- KK. "Whites Creek Retail Fuel Outlet Business" means all business activities conducted by Respondent Hollingsworth, as applicable, prior to the Acquisition Date at or relating to Sudden Service Site 15 located at 500 Hickory Hills Blvd., Whites Creek, TN 37189, including, but not limited to: (1) the retail sale, promotion, marketing, and provision of Fuel Products, and other fuels, automotive products, and related services; and (2) the operation of associated convenience stores and related businesses and services, including, but not limited to the retail sale, promotion, marketing and provision of food and grocery products (including dairy and bakery items, snacks, gum, and candy), foodservice and quick-serve restaurant items, beverages (including alcoholic beverages), tobacco products, general merchandise, ATM services, gaming and lottery tickets and services, money order services, car wash services, and all other businesses and services associated with the business operated or to be operated at the location

## II. Divestiture

IT IS FURTHER ORDERED that:

- A. No later than 10 days after the Acquisition Date, Respondent shall divest the Retail Fuel Assets, absolutely and in good faith, an ongoing business, to Compu pursuant to the Divestiture Agreement

Provided, however that, if within 12 months after issuing the Order, the Commission determines, in consultation with the Acquirer and the Monitor should one be appointed, the Acquirer needs one or more Retail Fuel Assets to operate the Retail Fuel Assets in a manner that achieves the purposes of the Order, Respondents shall divest, absolutely and in good faith, such needed Retained Assets to the Acquirer.

absolutely and in good faith, at no minimum price, to a Person that receives the prior approval of the Commission and in a manner that receives the prior approval of the Commission; or

2. The manner in which the divestiture of the Retail Fuel Assets to Cox was accomplished is not acceptable, the Commission may direct Respondents, or appoint a Divestiture Trustee, to effect such modifications to the manner of divestiture of the Retail Fuel Assets as the Commission may determine are necessary to satisfy the requirements of this Order

C. Respondents shall obtain, no later than the Divestiture Date and at their sole expense, Consents from Third Parties and all Governmental Permits that are necessary to effect the completion of the divestiture. Respondents shall also obtain all necessary consents from the Commission and the Public Service Commission to effect the divestiture. Respondents shall also obtain all necessary consents from the Commission and the Public Service Commission to effect the divestiture.

1. As set forth in the Divestiture Agreement, or as otherwise reasonably requested

a manner consistent with applicable laws and regulations, and to prevent the destruction, removal, wasting, deterioration, or impairment of the Retail Fuel Assets and Retail Fuel Outlet Business, except for ordinary wear and tear. Respondents shall not sell, transfer, encumber, or otherwise impair the Retail Fuel Assets and Retail Fuel Outlet Business (other than in the manner prescribed in this Order and the Order to Maintain Assets), nor take any action that lessens the full economic viability, marketability, or competitiveness of the Retail Fuel Assets and Retail Fuel Outlet Business; and

- B. Not terminate the operations of the Retail Fuel Assets and Retail Fuel Outlet Business, and shall conduct or cause to be conducted the operations of the Retail Fuel Assets and Retail Fuel Outlet Business in the ordinary course of business and in accordance with past practice (including regular repair and maintenance efforts) and as may be necessary to preserve the full economic viability, marketability, and competitiveness of the Retail Fuel Assets and Retail Fuel Outlet Business, and shall use best efforts to preserve the existing relationships with suppliers, customers, employees, governmental authorities, vendors, landlords, and others having business relationships with the Retail Fuel Assets and Retail Fuel Outlet Business.

Provided, however, that Respondents may take actions that the Acquirer has requested or agreed to in writing and that has been approved in advance by Commission staff in all cases to facilitate the Acquirer's acquisition of the Retail Fuel Assets and consistent with the purposes of this Order and the Order to Maintain Assets.

## VI. Employees

IT IS FURTHER ORDERED that:

- A. Until one year after the Divestiture Date, Respondents shall cooperate with and assist the Acquirer of the Retail Fuel Assets to evaluate independently and offer employment to the Retail Fuel Employees.
- B. Until one year after the Divestiture Date, Respondents shall:
1. No later than 10 days after a request from the Acquirer, provide to the Acquirer a list of all Retail Fuel Employees and provide Employee Information for each;
  2. No later than 10 days after a request from the Acquirer, provide the Acquirer an opportunity to meet outside the presence or hearing of any employee or agent of any Respondent with any of the Retail Fuel Employees and to make offers of employment to any of the Retail Fuel Employees;
  3. Remove any impediments within the control of Respondents that may deter Retail Fuel Employees from accepting employment with the Acquirer, including, but not limited to, removal of any non-compete or confidentiality provisions of employment or other contracts with Respondents that may affect the ability or incentive of those individuals to be employed by the Acquirer, and shall not make any counteroffer to a Retail Fuel Employee who receives an offer of employment from the Acquirer; provided, however, that nothing in this Order shall be

construed to require Respondents to terminate the employment of any employee or prevent Respondents from continuing the employment of any employee;

4. Continue to provide Retail Fuel Employees compensation and benefits, including regularly scheduled raises, bonuses and the vesting of benefits;
  5. Provide reasonable financial incentives for Retail Fuel Employees to continue in their positions and as may be necessary, to facilitate the employment of such Retail Fuel Employees by the Acquirer; and
  6. Not interfere, directly or indirectly, with the hiring or employing by the Acquirer of any Retail Fuel Employee or offer any incentive to such employees to decline employment with the Acquirer, and not otherwise interfere with the recruitment of any Retail Fuel Employee by the Acquirer
- C. Respondents shall not, for a period of one year following the Divestiture Date, directly or indirectly, solicit or otherwise attempt to induce any of the Retail Fuel Employees who have accepted offers of employment with the Acquirer to terminate his or her employment with the Acquirer; provided, however, Respondents may:
1. Hire an employee whose employment has been terminated by the Acquirer;
  2. Advertise for employees in newspapers, trade publications, or other media, or engage recruiters to conduct general employee search activities, in either case not targeted specifically at one or more of Retail Fuel Employees; or
  3. Hire an employee who has applied for employment with Respondents, as long as such application was not solicited or induced in violation of this Paragraph.

## VII. Confidentiality

IT IS FURTHER ORDERED that:

- A. Respondents shall (i) not disclose (including as to Respondents' employees) and (ii) not use for any reason or purpose, any Confidential Business Information received or maintained by Respondents, provided, however, that Respondents may disclose or use such Confidential Business Information in the course of:
1. Performing their obligations or as permitted under this Order, the Order to Maintain Assets, or the Divestiture Agreement; or
  2. Complying with financial reporting requirements, obtaining legal advice, prosecuting or defending legal claims, investigations, or enforcing actions threatened or brought against the Retail Fuel Assets or Retail Fuel Outlet Businesses, or as required by law.

- B. If disclosure or use of any Confidential Business Information is permitted to Respondents' employees or to any other Person under Paragraph A of this Order, Respondents shall limit such disclosure or use (i) only to the extent such information is required, (ii) only to those employees or Persons who require such information for the purposes permitted under Paragraph A, and (iii) only after such employees or Persons have signed an agreement to maintain the confidentiality of such information.
- C. Respondents shall enforce the terms of this Paragraph A to their employees or any other Person, and take such action as is necessary to cause each of their employees and any other Person to comply with the terms of this Paragraph A, including implementation of access and data controls, training of employees, and other actions that Respondents would take to protect their own trade secrets and proprietary information.

#### VIII. Monitor

IT IS FURTHER ORDERED that:

- A. At any time after the Respondents sign the Consent Agreement in this matter, the Commission may appoint a Monitor to assure that the Respondents expeditiously comply with all of their obligations and perform all of their responsibilities as required by this Order, the Order to Maintain Assets, and the Divestiture Agreement.
- B. The Commission shall select the Monitor, subject to the consent of Respondents, which consent shall not be unreasonably withheld. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of a proposed Monitor within 10 days after notice by the staff of the Commission to Respondents of the identity of any proposed Monitor, Respondents shall be deemed to have consented to the selection of the proposed Monitor.

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- G. Respondents may require the Monitor and each of the Monitor's consultants, accountants, attorneys, and other representatives and assistants to enter into a customary confidentiality agreement, provided, however, that such agreement does not restrict the Monitor from providing any information to the Commission
- H. Respondents shall not require nor compel the Monitor to disclose to Respondents the substance of communications with the Commission, including written reports submitted pursuant to Paragraph VIII.D .8, or any Person with whom the Monitor communicates in the performance of his/her duties.
- I. If the Commission determines that the Monitor has ceased to act or failed to act diligently, the Commission may appoint a substitute Monitor and such substitute Monitor shall be afforded all rights, powers, and authorities and subject to all obligations of this Paragraph VIII:
  - 1. The Commission shall select the substitute Monitor, subject to the consent of the Respondents, which consent shall not be unreasonably withheld.

enforced by the Commission, Respondents shall consent to the appointment of a Divestiture Trustee in such action to divest the relevant assets in accordance with the terms of this Order. Neither the appointment of a Divestiture Trustee nor a decision not to appoint a Divestiture Trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it,

divested, delivered, or otherwise conveyed by this Order and to any other relevant information, as the Divestiture Trustee may request. Respondents shall develop such financial or other information as the Divestiture Trustee may request and shall cooperate with the Divestiture Trustee. Respondents shall take no action to interfere with or impede the Divestiture Trustee's accomplishment of the divestiture. Any delays in divestiture caused by Respondents shall extend the time for divestiture under this Paragraph by an amount equal to the delay, as determined by the Commission or, for a court-appointed Divestiture Trustee, by the court;

4. The Divestiture Trustee shall use commercially reasonable best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest expeditiously and at no minimum price. The divestiture shall be made in the manner and to the Acquirer as required by this Order; provided, however, if the Divestiture Trustee receives bona fide offers from more than one acquiring entity, and if the Commission determines to approve more than one such acquiring entity, the Divestiture Trustee shall divest to the acquiring entity selected by Respondents from among those approved by the Commission; provided further, however, that Respondents shall select such entity within 5 days of receiving notification of the Commission's approval;

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Federal Regulations as amended, and shall be prepared and transmitted in accordance with the requirements of that part, except that no filing will be required for any such Notification, and notification shall be filed with the Secretary of the Commission, notification need not be made to the United States Department of Justice, and notification is required only of the Respondents and not of any other party to the transaction.

2. Respondents shall include a description of the proposed acquisition and provide:
  - (a) A map showing all retail fuel outlets by ownership (OPIS Corporate Brand) within 5 driving miles of the relevant Prior Notice Outlet;
  - (b) For each retail fuel outlet owned by Respondents within 5 driving miles of the relevant Prior Notice Outlet, a list of the retail fuel outlets that Respondents monitored at any time with the preceding 12 month period (to the extent such information is available) and
  - (c) Respondents pricing strategy in relation to each monitored retail fuel outlet identified in response to Paragraph X.B.2.(b) of this Order
3. Respondents shall provide the Notification to the Commission at least 30 days prior to consummating the transaction (hereinafter referred to as the "first waiting period"). If, within the first waiting period, representatives of the Commission make a written request for additional information or documentary material (within the meaning of 16 C.F.R. § 803.20), Respondents shall not consummate the transaction until 30 days after submitting such additional information or documentary material.
4. Early termination of the waiting periods in this Paragraph X may be requested and, where appropriate, granted by letter from the Bureau of Competition. Provided, however, that prior notification shall not be required by this Paragraph for a transaction for which notification is required to be made, and has been made, pursuant to Section 7A of the Clayton Act, 15 U.S.C. § 18a.

## XI. Compliance Reports

IT IS FURTHER ORDERED that:

- A. Respondents Tri Star, OC, and C & H shall:
  1. notify Commission staff via email at [bccompliance@ftc.gov](mailto:bccompliance@ftc.gov) by the Acquisition Date no later than 5 days after the Acquisition Date, and;
  2. submit the complete Divestiture Agreement to the Commission at [ElectronicFilings@ftc.gov](mailto:ElectronicFilings@ftc.gov) and [bccompliance@ftc.gov](mailto:bccompliance@ftc.gov) no later than 30 days after the Divestiture Date.

B. Respondents Tri Star, HOC, and C & H shall submit verified written reports (“compliance reports”) in accordance with the following:

1. Respondents shall submit interim compliance reports 30 days after the Order is issued, and every 30 days thereafter until Respondents have fully complied with the provisions of Paragraphs II and III; annual compliance reports one year after the date this Order is issued, and annually for the next 9 years on the anniversary of that date; and additional compliance reports as the Commission or its staff may request
2. Each compliance report shall contain sufficient information and documentation to enable the Commission to determine independently whether Respondents are in compliance with this Order. Conclusory statements that Respondents have complied with its obligations under this Order are insufficient. Respondents shall include in its reports, among other information or documentation that may be necessary to demonstrate compliance, a detailed description of the measures Respondents have implemented or plan to implement to ensure that Respondents have complied or will comply with each paragraph of the Order
3. Respondents shall retain all material written communications with each party identified in the compliance report and all non-privileged internal memoranda, reports, and recommendations concerning fulfilling Respondents’ obligations under the Order and provide copies of these documents to Commission staff upon c

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- C. Any other change in Respondent Star, including assignment and the creation, sale, or dissolution of subsidiaries, if such change may affect compliance obligations arising out of this Order.

### XIII. Access

Non-Public Appendix I

Divestiture Agreements

[Redacted from Public Version but Incorporated by Reference]

## Non-Public Appendix II

### Retained Assets

[Redacted from Public Version but Incorporated by Reference]