

Merger Enforcement Actions - Administrative Complaints (FY 2012)

NOTE: In FY 2012 there was one merger enforcement action consisting solely of a Part III Administrative Complaint. In the other two matters, in addition to authorizing staff to file an injunction in federal court, the Commission also authorized staff to commence administrative litigation.

Matter:	Enforcement Date:	Industry:
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Part III Administrative Complaint

1. **1110239 - Omnicare / Pharmerica** 1 /27/2012 Health Care – Retail/Pharmacies

<http://www.ftc.gov/os/adjpro/d9352/index.shtm>

The Commission issued a complaint to block Omnicare, Inc.'s hostile acquisition of rival long-term care pharmacy provider PharMerica Corporation, alleging that the combination of the two largest U.S. long-term care pharmacies would harm competition and enable Omnicare to raise the price of drugs for Medicare Part D consumers and others. In its complaint, the FTC charges that a deal combining Omnicare and PharMerica would significantly increase Omnicare's already substantial bargaining leverage by dramatically increasing the number of skilled nursing facilities, known as SNFs, that receive long-term care pharmacy services from the company. Due to its substantial market share, the FTC alleges that the combined firm likely would be a "must have" for Medicare Part D prescription drug plans, which are responsible for providing subsidized prescription drug benefit coverage for most SNF residents and other Medicare beneficiaries.

****Update**:** On Feb 23, 2012 The FTC dismissed the complaint it issued in January, in light of Omnicare's decision to abandon the proposed transaction.

Part III Administrative Complaint with Federal Injunction

1. **1110169 - Graco / Illinois Tool Works** 12/15/2011 Manufacturing – Industrial Goods

<http://www.ftc.gov/os/adjpro/d9350/index.shtm>

Seeking to maintain competition in markets for key industrial finishing equipment, the Federal Trade Commission challenged Graco Inc.'s proposed \$650 million acquisition of ITW Finishing LLC from Illinois Tool Works Inc., a rival producer of equipment used to apply paints and other liquid finishes to a variety of manufactured goods. According to the FTC, the proposed deal would hurt competition and lead to higher prices and reduced innovation for the North American manufacturers who rely on this equipment. On March 27, 2012 the FTC issued an order requiring Graco Inc. to hold separate the worldwide liquid finishing equipment businesses of Illinois Tool Works Inc. and ITW Finishing LLC, while allowing Graco to complete its proposed \$650 million acquisition of all of ITW's finishing equipment businesses. The order ensures that Graco will not integrate certain assets into its operations, pending the FTC's consideration of a proposed settlement that has been entered into by Graco and the FTC's staff, but not yet accepted by the Commission.

2. **1110102 - Rockford Memorial / St. Anthony Medical Center** 11/18/2011 Health Care – Hospitals/Clinics

<http://www.ftc.gov/os/adjpro/d9349/index.shtm>

The FTC filed an administrative complaint challenging OSF Healthcare System's proposed acquisition of Rockford Health System against, charging that the acquisition would substantially reduce competition among hospitals and primary care physicians in Rockford, Illinois, and significantly harm local businesses and patients. The FTC's staff filed a separate complaint in federal district court seeking an order to halt the transaction temporarily to preserve competition for Rockford area residents pending the FTC's administrative proceeding and any subsequent appeals.