

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA
c/o Department of Justice
Antitrust Division
Washington, D.C. 20530

Plaintiff,

v.

SERVICE CORPORATION INTERNATIONAL,
SCI Building
1929 Allen Parkway
Houston, Texas 77019

Defendant.

REVERCOMB, J. GHR

91 0025

Civil Action No.

Filed: January 7, 1991

COMPLAINT FOR CIVIL PENALTIES FOR VIOLATION OF PREMERGER
REPORTING REQUIREMENTS OF HART-SCOTT-RODINO ACT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States and at the request of the Federal Trade Commission, brings this civil action to obtain monetary relief in the form of a civil penalty against the defendant named herein, and alleges as follows:

I.

JURISDICTION AND VENUE

1. This complaint is filed and these proceedings are instituted under Section 7A of the Clayton Act, 15 U.S.C.

§ 18a, commonly known as the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("Hart-Scott-Rodino Act" or "the Act"), to recover a civil penalty for a violation of the Hart-Scott-Rodino Act.

2. This Court has jurisdiction over the defendant and over the subject matter of this action pursuant to 15 U.S.C. § 18a(g), and 28 U.S.C. §§ 1331, 1337, 1345, and 1355.

3. Venue is properly based in this district under 28 U.S.C. §§ 1391(b), 1391(c), 1395(a) and 15 U.S.C. § 22. Venue in this District is also proper by virtue of defendant's consent to the maintenance of this action and entry of Final Judgment in this District, as provided in the Stipulation relating hereto.

II.

THE DEFENDANT

4. Service Corporation International ("SCI") is made a defendant herein. SCI is a Texas corporation with its principal offices located at 1929 Allen Parkway, Houston, Texas 77019. SCI provides funeral and cemetery services.

III.

CENTURION NATIONAL GROUP, INC.

5. Centurion National Group, Inc. ("Centurion"), prior to December 30, 1986, was a Delaware corporation headquartered in Houston, Texas. Centurion was a competitor of defendant SCI in 1986.

IV.

VIOLATION ALLEGED

6. The Hart-Scott-Rodino Act, 15 U.S.C. § 18a, prohibits certain acquisitions of voting securities or assets until a notification has been filed with the Department of Justice and the Federal Trade Commission and a waiting period has expired.

7. Centurion and defendant SCI, at all times pertinent to this proceeding, were engaged in commerce, or in activities affecting commerce, within the meaning of Section 1 of the Clayton Act, 15 U.S.C. § 12.

8. Centurion and SCI, at all times pertinent to this proceeding, had assets above the threshold established by Section (a) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(a). SCI had total assets in excess of \$100 million, and Centurion had total assets in excess of \$10 million.

9. On December 30, 1986, John W. Morrow, Jr. ("Morrow"), acting as the agent of SCI, purchased all of the issued and outstanding stock of Centurion through Triad National Group, Inc. ("Triad"), a corporation wholly owned by Morrow, for an amount in excess of \$15 million.

10. As a result of the transaction described in Paragraph 9, SCI, on December 30, 1986, held 15 per centum or more of the voting securities of SCI in an aggregate total amount in excess of \$15 million.

11. The transaction described in Paragraph 9 was subject to the Hart-Scott-Rodino Act and the regulations promulgated thereunder, 16 C.F.R. § 800 et seq. The Hart-Scott-Rodino Act

and regulations required SCI to file a notification and observe a waiting period before acquiring 15 per centum or more of the voting securities of Centurion or an aggregate total amount of voting securities of Centurion in excess of \$15 million.

12. Defendant SCI did not comply with the notification and waiting period requirements of the Act before making the acquisition described in paragraph 9 above.

13. On January 27, 1987, SCI submitted a notification under the Hart-Scott-Rodino Act stating an intention to acquire Triad. The Hart-Scott-Rodino Act waiting period relating to that filing expired on February 26, 1987.

14. Defendant SCI was continuously in violation of the Hart-Scott-Rodino Act during the period from December 30, 1986 through February 26, 1987, a total of 59 days.

15. Section (g)(1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a (g)(1), provides that any person who fails to comply with the Act shall be liable to the United States for a civil penalty of not more than \$10,000 for each day during which such person is in violation of the Act.

V.

PRAYER

WHEREFORE, plaintiff prays that this Court:

1. Adjudge and decree that defendant SCI was in violation of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a, each day of the period December 30, 1986 through February 26, 1987;

2. Order defendant to pay to the United States Treasury an appropriate civil penalty as provided by Section (g)(1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(g)(1);

3. Grant such other, further relief as the Court may deem just and proper; and

4. Award plaintiff its costs of this suit.

Dated: January 7, 1991

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OF AMERICA


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