



# Department of Justice

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## **JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN STERICYCLE INC.'S ACQUISITION OF MEDSERVE INC.**

### ***Divestitures Will Preserve Competition in Infectious Waste Collection and Treatment Services in Kansas, Missouri, Nebraska and Oklahoma***

WASHINGTON – The Department of Justice announced today that it will require Stericycle Inc. to divest certain infectious waste collection and treatment services assets in order to proceed with its acquisition of MedServe Inc. The department said the transaction, as originally proposed, would substantially lessen competition in infectious waste collection and treatment services to hospitals and other critical healthcare facilities in Kansas, Missouri, Nebraska and Oklahoma, resulting in higher prices and reduced service.

The department's Antitrust Division, along with the attorneys general of the states of Missouri and Nebraska, filed a civil antitrust lawsuit today in U.S. District Court in Washington, D.C., to block the proposed transaction. At the same time, the department and the two attorneys general filed a proposed settlement that, if approved by the court, would resolve the competitive concerns alleged in the lawsuit.

“Without the divestitures required by the department, critical healthcare facilities in Kansas, Missouri, Nebraska and Oklahoma would have faced higher prices,” said Christine A. Varney, Assistant Attorney General in charge of the Department of Justice's Antitrust Division.

According to the complaint, Stericycle and MedServe are the only two firms able to compete for customers that generate large quantities of infectious waste in Kansas, Missouri, Nebraska and Oklahoma.

Under the proposed settlement, Stericycle and MedServe must divest all of MedServe's assets primarily used in the provision of infectious waste collection and treatment services to large customers in Kansas, Missouri, Nebraska and Oklahoma to a viable purchaser approved by the department. These assets include MedServe's Newton, Kan., treatment facility, and its transfer stations in Kansas City, Kan., Oklahoma City, Omaha, Neb., and Booneville, Mo.

Stericycle is a Delaware corporation with its principal place of business in Lake Forest, Ill. Stericycle is a worldwide provider of infectious waste collection and treatment services, and the largest provider in the United States, with operations in nearly all of the contiguous 48 states. In 2008, its U.S. sales were approximately \$858 million.

MedServe is a Delaware corporation with its principal place of business in Bellaire, Texas. MedServe is the second-largest provider of infectious waste collection and treatment services in the United States, with operations in 25 states. In 2008, MedServe had total revenues of about \$35.6 million.

As required by the Tunney Act, the proposed settlement will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed Final Judgment upon finding that it is in the public interest.

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