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ATTORNEY GENERAL MASTO FILES SUIT ALLEGING PROPOSED ACQUISITION OF PALM MORTUARY BY SERVICE CORPORATION INTERNATIONAL IS ANTICOMPETITIVE

Las Vegas, NV— Nevada Attorney General Catherine Cortez Masto announced today the filing of a lawsuit alleging Service Corporation International's (SCI) proposed purchase of Palm Mortuary, Inc. violates federal and state antitrust laws and reduces competition in the market for cemetery services in the Las Vegas area.

After a formal investigation, the Attorney General is requiring SCI to divest most of its assets in the Las Vegas area in order to proceed with the acquisition. This agreement and other related relief are reflected in two settlement papers: a Stipulated Judgment and an Order to Maintain Assets, also filed as part of the lawsuit.

"Cemeteries involve major purchases, typically at an extremely difficult time when consumers are most vulnerable," said General Masto. "It is critical to preserve competition in the cemetery market for local Las Vegas families."

The acquisition would have created a combined company controlling 76% of the cemetery services market in the Las Vegas area. Palm Mortuary, which operates solely in the Las Vegas area, is the largest seller of cemetery services in the area. SCI, through its Davis Funeral Home and Memorial Park property, is the third largest seller of local cemetery services in Las Vegas and is the nation's largest cemetery provider. There is only one other meaningful cemetery provider in the Las Vegas area.

The lawsuit's complaint alleges that the acquisition, as planned, would eliminate direct competition between SCI and Palm Mortuary for cemetery services in the Las Vegas area. This would leave area cemetery consumers with fewer choices, along with the prospect of higher prices or reduced levels of service. The complaint also alleges that entry into this market from new cemetery providers would not be timely, likely or sufficient to prevent these anticompetitive effects.

The settlement papers, subject to court approval, include the following relief:

- SCI must sell its Davis Funeral Home and Memorial Park property (located near McCarran International Airport), as well as the pre-paid business derived from this property and another SCI-owned Davis funeral home (located near University Medical Center) to a buyer approved by General Masto within 90 days of SCI acquiring Palm Mortuary.
- Prior to SCI selling these Davis assets, SCI must ensure the economic and competitive viability of these Davis assets in accordance with past practices. A series of firewall protections help accomplish this. The Attorney General's staff will monitor SCI's compliance and General Masto can name an independent third party to monitor the company's compliance as well.
- For the next three years, SCI has agreed to provide notice to the Attorney General of future acquisitions that involve cemetery service or funeral service markets where the company already has a presence in Nevada.

Additionally, SCI has agreed to reimburse the Office of the Attorney General for its attorneys' fees and costs resulting from the investigation, as well as any potential future investigations regarding compliance with the settlement papers. If non-compliance occurs, SCI would be subject to monetary penalties, injunctive relief, and other relief the court deems appropriate.

General Masto and her Bureau of Consumer Protection staff worked closely with the Federal Trade Commission on this matter.

"Although my office has always had positive relationships with federal antitrust enforcers on earlier cases and joint training initiatives, the collaboration on this merger review with the Federal Trade Commission has been exceptional," said General Masto. "I look forward to building even stronger relationships with the Commissioners and staff at the Federal Trade Commission so that we can continue to protect consumers and competition in Nevada."

Filed in the United States District Court, District of Nevada, the lawsuit is called The State of Nevada By Its Attorney General Catherine Cortez Masto, v. Service Corporation International, No. 2:09-cv-02248.