## SINCE 1927

## KROUT AND SCHNEIDER, INC.

## Investigators

October 13, 2008



Donald S. Clark Office of the Secretary Federal Trade Commission Room H-135 600 Pennsylvania Avenue, NW Washington, DC 20580

Re: Proposed Consent Order

In the Matter of Reed Elsevier and ChoicePoint, FTC File No. 081-0133

Dear Mr. Clark:

I am writing on behalf of the California Association of Licensed Investigators (CALI) regarding the proposed consent order and acquisition of ChoicePoint by Reed Elsevier. Our association is comprised of investigators who provide critical services to government agencies, attorneys, state and US courts and others. We rely extensively on services provided by both Reed Elsevier and ChoicePoint and their subsidiaries to assist us in serving these clients.

Over the past several years there has been tremendous consolidation among providers of public records services. This proposed acquisition will further reduce competition in the industry. Although there are several providers of data services in the marketplace, they are resellers of data provided by the respondents.

The Commission's complaint found that this acquisition would be anticompetitive and a violation of antitrust law in the market for the sale of public records information to law enforcement agencies. The same effects would be felt in the market for sale of public records to the private sector.

It is important to have access to data from several suppliers during the conduct of an investigation. Limited resources reduce both the quality and quantity of information available. And our members, most of whom are small businesses, do not have the financial weight to bargain effectively with large entities in a non-competitive environment.

We urge that the Commission not approve the acquisition until respondents can divest themselves of public records services provided to private industry as well as to law enforcement.

LOS ANGELES 2250 LINDSAY WAY GLENDORA, CA 91740 (909) 599-9500 (909) 599-8060 FAX ANAHEIM SACRAMENTO SAN DIEGO SAN FRANCISCO SAN JOSE Donald S. Clark
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Unless an appropriate remedy is offered, our members and their clients will suffer irreparable harm. When competition is reduced, incentives for innovation are reduced, prices rise and service suffers.

Thank you for your consideration.

Sincerely,

KROUT & SCHNEIDER, INC.

Eddy L. McClain Chairman

ELM:sah