

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright

)	
In the Matter of)	
)	
Service Corporation International,)	Docket No. C-4423
a corporation, and)	
)	
Stewart Enterprises, Inc.,)	
a corporation.)	
)	

ORDER TO HOLD SEPARATE AND MAINTAIN ASSETS
[Public Record Version]

The Federal Trade Commission, having initiated an investigation of the proposed acquisition by Respondent Service Corporation International (“SCI”) of the outstanding voting securities of Respondent Stewart Enterprises, Inc. (“Stewart”), and Respondents having been furnished thereafter with a copy of a draft of complaint that the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondents, their attorneys, and counsel for the Commission having thereafter executed an agreement containing consent orders (“Consent Agreement”), an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated the said Acts, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues

its complaint, makes the following jurisdictional findings and enters the following Order to Hold Separate and Maintain Assets (“Hold Separate Order”):

1. Respondent Service Corporation International is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Texas, with its office and principal place of business located at 1929 Allen Parkway, Houston, Texas 77019.
2. Respondent Stewart Enterprises, Inc., is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Louisiana, with its office and principal place of business located at 1333 South Clearview Parkway, Jefferson, Louisiana 70121.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondents and the proceeding is in the public interest.

ORDER

I.

IT IS HEREBY ORDERED that, as used in this Hold Separate Order, the following definitions, and all other definitions used in the Consent Agreement and Decision and Order, shall apply:

- A. “SCI” means Service Corporation International, its directors, officers, employees, agents, representatives, successors, and assigns; and the subsidiaries, divisions, groups, and affiliates in each case controlled by Service Corporation International (including, after the Acquisition, Stewart), and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. “Stewart” means Stewart Enterprises, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and the subsidiaries, divisions, groups, and affiliates in each case controlled by Stewart Enterprises, Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- C. “Commission” means the Federal Trade Commission.
- D. “Acquisition” means the proposed acquisition described in the Agreement and Plan of Merger among Service Corporation International, RIO Acquisition Corp. and Stewart Enterprises, Inc., dated as of May 28, 2013.
- E. “Acquisition Date” means the date the Acquisition is consummated.
- F. “Cemetery Services” means all activities relating to the promotion, marketing, sale, and provision of property, goods and services, to provide for the final disposition of human remains in a cemetery, whether by burial, entombment in a mausoleum or crypt, disposition in a niche, or scattering of cremated remains on the cemetery grounds.

- G. “Confidential Information” means competitively sensitive, proprietary, and all other business information of any kind, including any and all of the following information:
1. all information that is a trade secret under applicable trade secret or other law;
 2. all information concerning product specifications, data, know-how, formulae, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, software, and computer software and database technologies, systems, structures, and architectures;
 3. all information concerning the relevant business (which includes historical and current financial statements, financial projections and budgets, tax returns and accountants’ materials, historical, current and projected sales, capital spending budgets and plans, business plans, strategic plans, marketing and advertising plans, publications, client and customer lists and files, contracts, the names and backgrounds of key personnel and personnel training techniques and materials); and
 4. all notes, analyses, compilations, studies, summaries, and other material to the extent containing or based, in whole or in part, upon any of the information described above;

Provided, however, that Confidential Information shall not include information that (i) was, is, or becomes generally available to the public other than as a result of a breach of this Order; (ii) was or is developed independently of and without reference to any Confidential Information; or (iii) was available, or becomes available, on a non-confidential basis from a third party not bound by a confidentiality agreement or any legal, fiduciary, or other obligation restricting disclosure.

H. “Decision and Order” means the:

1. Proposed Decision and Order contained in the Consent Agreement in this matter until the issuance and service of a final Decision and Order by the Commission, and
2. Final Decision and Order issued by the Commission following the issuance and service of a final Decision and Order by the Commission.

I. “Direct Cost” means the actual cost of labor, including employee benefits, materials, resources, travel expenses, services, the actual cost of any third-party charges, and other expenditures to the extent the costs are directly incurred to provide the relevant assistance or service.

- J. “Divestiture Agreement” means any agreement between Respondents (or between a Divestiture Trustee) and an Acquirer to divest the Divestiture Assets, or otherwise to accomplish the requirements of the Decision and Order, and all amendments, exhibits, attachments, agreements and schedules thereto, that have been approved by the Commission to accomplish the requirements of the Decision and Order.
- K. “Divestiture Assets” means the assets defined in Paragraph I.M. of the Decision and Order.
- L. “Divestiture Business” means the business defined in Paragraph I.N. of the Decision and Order.
- M. “Divestiture Business Employee” means any individual (i) who is or was employed by Respondents on a full-time, part-time, or contract basis as of the Acquisition Date and (ii) whose job responsibilities related primarily to the Divestiture Business at any time as of and after the date of the announcement of the Acquisition.
- N. “Employee Information” means employment information relating to any Divestiture Business Employee, to the extent permitted by law, including, but not limited to, name, job title or position, date of hire, description of job responsibilities, salary or current wages, the most recent bonus paid, employment status (*i.e.*, active or on leave or disability; full-time or part-time; contract), any other material terms and conditions of employment in regard to such employee that are not otherwise generally available to similarly situated employees, and employee benefit plans.
- O. “Final Report” means the report described in Paragraph III.C.(ii) of this Hold Separate Order.
- P. “Funeral Services” means all activities relating to the promotion, marketing, sale, and provision of funeral services and funeral goods, including, but not limited to, goods and services used to remove, care for, and prepare bodies for burial, cremation, or other final disposition; and goods and services used to arrange, supervise, or conduct the funeral ceremony or final disposition of human remains.
- Q. “Hold Separate Assets” means the Divestiture Assets relating to the operation of the Divestiture Business at the locations identified in Appendix A of this Hold Separate Order.
- R. “Hold Separate Business” means (i) the Hold Separate Assets, (ii) the Hold Separate Employees, and (iii) the Divestiture Business conducted at the locations identified in Appendix A of this Hold Separate Order.
- S. “Hold Separate Employees” means the Divestiture Business Employees identified on the organizational chart attached to this Hold Separate Order as Confidential Appendix B.

- T. “Hold Separate Manager(s)” means the individual(s) identified in Paragraph IV.A. of this Hold Separate Order.
- U. “Hold Separate Trustee” means the individual identified in Paragraph III.A. of this Hold Separate Order.
- V. “Key Employee” means any (i) funeral home Divestiture Businesses Employee whose job title is funeral director, location manager, or other job title with responsibilities similar to those of funeral director or location manager, and (ii) cemetery Divestiture Businesses Employee whose job responsibilities include management of a cemetery.
- W. “Person” means any individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture, or other entity or a governmental body.
- X. “Preparation Services” means transportation of human remains, embalming, cosmetizing, and other preparation of human remains for a funeral service, burial service, or cremation as well as the cremation of human remains.
- Y. “Prospective Acquirer” means a Person that Respondents (or the Divestiture Trustee) intend to submit to the Commission for its prior approval to acquire Divestiture Assets pursuant to Paragraph II (or Paragraph IV) of the Decision and Order.
- Z. “Respondents” means SCI and Stewart, individually and collectively; *provided, however*, that after the Acquisition Date, Respondents shall mean SCI.
- AA. “Support Services” means Preparation Services, administrative and technical services that Respondents provide to the Divestiture Business and Divestiture Assets that are not performed by employees who are permanently located at any of the Divestiture Businesses, including, but not limited to (i) human resources and administrative services, (ii) federal and state regulatory compliance and policy development services, (iii) environmental health and safety services, (iv) financial accounting services, (v) preparation of tax returns, (vi) audit services, (vii) information technology support services, (viii) processing of accounts payable and accounts receivable, (ix) technical support, (x) procurement of supplies, (xi) maintenance and repair of facilities, (xii) legal services, or (xiii) other support services as needed to operate the Hold Separate Business in the same manner as before the Acquisition Date.
- BB. “Support Services Employee” means any individual employed by Respondents who provides Support Services to the Hold Separate Business pursuant to Paragraph V.C. of this Hold Separate Order.

II.

IT IS FURTHER ORDERED that from the Acquisition Date until the date that Respondents (or a Divestiture Trustee) have divested the Hold Separate Assets, Respondents shall:

- A. Hold the Hold Separate Business separate, apart, and independent of Respondents' other businesses and assets as required by this Hold Separate Order and shall vest the Hold Separate Business with all rights, powers, and authority necessary to conduct its business; and
- B. Not exercise direction or control over, or influence directly or indirectly, the Hold Separate Business or any of its operations, the Hold Separate Trustee, or the Hold Separate Managers except to the extent that Respondents must exercise direction and control over the Hold Separate Business as is necessary to assure compliance with this Hold Separate Order, the Consent Agreement, the Decision and Order, and all applicable laws.

III.

IT IS FURTHER ORDERED that:

- A. At any time after Respondents sign the Consent Agreement, the Commission may appoint Paul A. Houston to serve as Hold Separate Trustee.
- B. Respondents shall enter into an agreement with the Hold Separate Trustee, subject to the prior approval of the Commission, that (i) shall become effective no later than one (1) day after the Acquisition Date, and (ii) transfers to and confers upon the Hold Separate Trustee all rights, powers, and authority necessary to permit the Hold Separate Trustee to perform his duties and responsibilities pursuant to this Hold Separate Order in a manner consistent with the purposes of this Hold Separate Order and the Decision and Order, and in consultation with Commission staff, including:
 - 1. The Hold Separate Trustee shall be responsible for (i) monitoring the organization of the Hold Separate Business, (ii) supervising the management of the Hold Separate Business by the Hold Separate Managers, (iii) maintaining the independence of the Hold Separate Business and Hold Separate Managers, and (iv) monitoring Respondents' compliance with its obligations under this Hold Separate Order and the Decision and Order, and (v) shall act in a fiduciary capacity for the benefit of the Commission;
 - 2. Subject to all applicable laws and regulations, the Hold Separate Trustee shall have full and complete access to all personnel, books, records, documents, and facilities of the Hold Separate Business, and to any other relevant information as the Hold Separate Trustee may reasonably request including, but not limited to, all documents and records kept by Respondents in the ordinary course of business that relate to the Hold Separate Business. Respondents shall develop such financial or other information as the Hold Separate Trustee may reasonably request and shall cooperate with the Hold Separate Trustee;

3. The Hold Separate Trustee (i) shall serve at the expense of Respondents and without bond or other security, on reasonable and customary terms and conditions commensurate with the Hold Separate Trustee's experience and responsibilities, and (ii) shall have the authority to employ, at the expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Hold Separate Trustee's duties and responsibilities;
 4. Respondents shall indemnify the Hold Separate Trustee and hold him harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of his duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from the Hold Separate Trustee's gross negligence or willful misconduct; and
 5. Respondents may require the Hold Separate Trustee and each of the Hold Separate Trustee's consultants, accountants, attorneys, and other representatives and assistants to sign an appropriate confidentiality agreement; *provided, however*, that such agreement shall not restrict the Hold Separate Trustee from providing any information to the Commission.
- C. The Hold Separate Trustee shall report in writing to the Commission (i) every thirty (30) days after the Acquisition Date, (ii) no later than ten (10) days after Respondents have completed their obligations under Paragraphs II.A. and II.F. of the Decision and Order; and (iii) at such other time as Commission staff may request, concerning Respondents' compliance with this Hold Separate Order and the Decision and Order.
- D. The Hold Separate Trustee shall serve until termination of this Hold Separate Order; *provided, however*, that if the Hold Separate Trustee ceases to act or fails to act diligently and consistently with the purposes of this Hold Separate Order, the Commission may appoint a substitute Hold Separate Trustee, subject to the consent of Respondents, which consent shall not be unreasonably withheld:
1. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of the substitute Hold Separate Trustee within five (5) days after notice by the staff of the Commission to Respondents of the identity of any substitute Hold Separate Trustee, then Respondents shall be deemed to have consented to the selection of the proposed substitute trustee; and
 2. Respondents shall, no later than five (5) days after the Commission appoints a substitute Hold Separate Trustee, enter into an agreement with the substitute Hold Separate Trustee that, subject to the approval of the Commission, confers on the substitute Hold Separate Trustee all the rights, powers, and authority necessary to permit the substitute Hold Separate Trustee to perform his or her duties and re-

sponsibilities pursuant to this Hold Separate Order on the terms and conditions as provided in this Paragraph III.

- E. The Commission may extend or modify the duties of the Hold Separate Trustee as may be necessary or appropriate to accomplish the purposes of this Hold Separate Order or the Decision and Order.

IV.

IT IS FURTHER ORDERED that:

- A. No later than one (1) day after the Acquisition Date, Respondents shall appoint one or more individuals to serve as Hold Separate Managers (collectively the “Hold Separate Managers”).
- B. Respondents shall enter into an agreement with the Hold Separate Managers that (i) shall become effective no later than one (1) day after the Acquisition Date, and (ii) subject to the approval of the Hold Separate Trustee, in consultation with the Commission staff, transfers all rights, powers, and authority necessary to permit the Hold Separate Managers to perform their duties on the terms set forth in this Hold Separate Order:
 - 1. The Hold Separate Managers shall manage the Hold Separate Business (i) in the ordinary course of business consistent with past practices and pursuant to current business plans, (ii) independently of the management of Respondents and their other businesses, and (iii) under the exclusive direction of the Hold Separate Trustee, to whom the Hold Separate Managers shall report directly.
 - 2. Respondents shall provide the Hold Separate Managers with reasonable financial incentives to undertake this position. Such incentives shall include a continuation of all employee benefits, including regularly scheduled raises, bonuses, vesting of retirement benefits (as permitted by law), and additional incentives as may be necessary;
 - 3. The Hold Separate Managers (i) shall serve at the expense of Respondents and without bond or other security, on reasonable and customary terms commensurate with the Hold Separate Managers’ experience and responsibilities; and (ii) shall have the authority to employ, in consultation with the Hold Separate Trustee, at the expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to assist the Hold Separate Managers in carrying out their duties and responsibilities;
 - 4. Respondents shall indemnify the Hold Separate Managers and hold them harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of their duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of any claim, whether or not resulting in any liability, except to the extent

that such liabilities, losses, damages, claims, or expenses result from the Hold Separate Managers' gross negligence or willful misconduct; and

5. Respondents shall assure that Commission staff shall have access to, and be permitted to communicate with, contact, and be contacted by the Hold Separate Managers without prior notice to Respondents or the presence of Respondents' employees or counsel, except as expressly required by law.
- C. The Hold Separate Managers shall manage the Hold Separate Business in the ordinary course of business consistent with past practices and pursuant to current business plans. The Hold Separate Managers shall, among other requirements:
1. Use best efforts to maintain and increase sales in the ordinary course of the Hold Separate Business and at levels set forth in current plans for the Hold Separate Business;
 2. Use best efforts to maintain the relations and good will with suppliers, customers, landlords, creditors, agents, and others having business relationships with the Hold Separate Business; and
 3. Not make any material changes in the ongoing operations or business plans of the Hold Separate Business, except with the approval of the Hold Separate Trustee, in consultation with the Commission staff.
- D. The Hold Separate Managers shall supervise the activities of the Hold Separate Employees and shall have the authority, in consultation with the Hold Separate Trustee, to staff the Hold Separate Business with sufficient employees to maintain the viability and competitiveness of the Hold Separate Business. The Hold Separate Managers shall, among other requirements:
1. Replace any departing or departed Hold Separate Employee with an individual who has similar experience and expertise or determine not to replace such departing or departed employee;
 2. Remove any Hold Separate Employee who ceases to act or fails to act diligently and consistent with the purposes of this Hold Separate Order and replace such employee with another individual of similar experience or skills;
 3. Provide each Hold Separate Employee with reasonable financial incentives, if necessary, including continuation of all employee benefits and regularly scheduled raises and bonuses, to continue in his or her position pending divestiture of the Divestiture Assets;
 4. Obtain from each Hold Separate Employee a signed statement that the individual will keep confidential all Confidential Information relating to the Hold Separate Business; and

5. Not permit any Hold Separate Employee to (i) be involved in any way in the operations of Respondents' other businesses (for clarification, the Hold Separate Manager may permit a Hold Separate Business to provide Preparation Services for Respondent's other businesses in the same fashion as those Preparation Services were provided by the applicable Hold Separate Business prior to the Acquisition Date) or (ii) receive or have access to, or use or continue to use, any Confidential Information relating to Respondents' other businesses.
- E. The Hold Separate Managers shall allow the Acquirer or Prospective Acquirer an opportunity to identify, recruit, and hire any Divestiture Business Employee, including complying as appropriate with the obligations set forth in Paragraph V.F. of this Hold Separate Order and Paragraph II.H. of the Decision and Order.
- F. The Hold Separate Managers shall serve until termination of the Hold Separate Order; *provided, however,* that the Hold Separate Managers may be removed for cause by the Hold Separate Trustee in consultation with the Commission staff. If a Hold Separate Manager is removed, resigns, or otherwise ceases to act as Hold Separate Manager, Respondents shall, within three (3) days after such termination, (i) appoint a substitute Hold Separate Manager and (ii) enter into an agreement with the substitute Hold Separate Manager, subject to the approval of the Hold Separate Trustee and in consultation with Commission staff, on the terms and conditions as provided in Paragraph IV. of this Hold Separate Order.

V.

IT IS FURTHER ORDERED that:

- A. Respondents shall not take any affirmative action, or fail to take any action within its control (other than conducting Respondents' own businesses in the ordinary course of business), as a result of which the viability, competitiveness, or marketability of the Hold Separate Business would be diminished or the divestiture of the Divestiture Assets jeopardized.
- B. Respondents shall cooperate with, and take no action to interfere with the ability of, the Hold Separate Trustee, Hold Separate Managers, any Hold Separate Employee, or any Support Services Employee to perform their duties and responsibilities pursuant to this Hold Separate Order.
- C. Respondents shall continue to provide, or offer to provide, Support Services and goods to the Hold Separate Business as are being provided to such business by Respondents as of the date the Consent Agreement is signed by Respondents:
 - 1. For Support Services and goods that Respondents provided to the Hold Separate Business as of the date Respondents sign the Consent Agreement, Respondents may charge no more than the same price, if any, charged by Respondents for such Support Services and goods as of the date the Consent Agreement is signed by Respondents;
 - 2. For any other Support Services and goods that Respondents may provide to the Hold Separate Business, Respondents may charge no more than Respondents' Direct Cost for the same or similar Support Services and goods; and
 - 3. Notwithstanding the above, the Hold Separate Business shall have, at the option of the Hold Separate Managers and in consultation with the Hold Separate Trustee, the ability to acquire Support Services and goods from third parties unaffiliated with Respondents.
- D. Respondents shall provide the Hold Separate Business with sufficient financial and other resources as are appropriate in the judgment of the Hold Separate Trustee to:
 - 1. Operate the Hold Separate Business at least at the current rate of operation and staffing (including efforts to generate new business) and to carry out, at least at their scheduled pace, all business plans and promotional activities in place prior to the Acquisition;
 - 2. Perform all maintenance to, and replacements or remodeling of, the assets of the Hold Separate Business in the ordinary course of business and in accordance with past practice and current plans;

3. Carry on such capital projects, physical plant improvements, and business plans as are already underway or planned for which all necessary regulatory and legal approvals have been obtained, including but not limited to existing or planned renovation, remodeling, or expansion projects; and
4. Maintain the viability, competitiveness, and marketability of the Hold Separate Business.

Such financial resources to be provided to the Hold Separate Business shall include, but shall not be limited to, (i) general funds, (ii) capital, (iii) working capital, and (iv) reimbursement for any operating losses, capital losses, or other losses; *provided, however*, that, consistent with the purposes of the Decision and Order and in consultation with the Hold Separate Trustee, the Hold Separate Managers may reduce in scale or pace any capital or research and development project, or substitute any capital or research and development project for another of the same cost.

E. Respondents shall not permit:

1. The Hold Separate Managers or any Hold Separate Employee to be involved, in any way, in the operations of any of Respondents' businesses other than the Hold Separate Business (for clarification, the Hold Separate Manager may permit, and a Hold Separate Employee may provide, Preparation Services for Respondents' businesses, other than the Hold Separate Businesses in the same fashion as those Preparation Services were provided by the applicable Hold Separate Business prior to the Acquisition Date); or
2. Any of its employees, officers, agents, or directors (i) to be involved in the operations of the Hold Separate Business, except to the extent otherwise provided in this Hold Separate Order, (ii) to disclose Confidential Information relating to Respondents' retained businesses to the Hold Separate Managers or any Hold Separate Employee, or (iii) receive or have access to, or use or continue to use, any Confidential Information relating to the Hold Separate Business.

F. Respondents shall allow an Acquirer or Prospective Acquirer an opportunity to recruit and employ any Divestiture Business Employee relating to the relevant Divestiture Business and Divestiture Assets under the following terms and conditions:

1. No later than ten (10) days after a request from an Acquirer or Prospective Acquirer, or Commission staff, Respondents shall (i) identify each Divestiture Business Employee, (ii) provide the Employee Information for each Divestiture Business Employee; (iii) allow the Acquirer or Prospective Acquirer an opportunity to meet personally with and interview such employee outside the presence or hearing of Respondents, and (iv) allow the Acquirer to inspect the personnel files and other documentation relating to any such employee, to the extent permissible under applicable laws;

2. Respondents shall (i) not offer any incentive to any Divestiture Business Employee to decline employment with the Acquirer or Prospective Acquirer, (ii) remove any contractual impediments with Respondents that may deter any Divestiture Business Employee from accepting employment with the Acquirer or Prospective Acquirer, including, but not limited to, any non-compete or confidentiality provisions of employment or other contracts with Respondents that would affect the ability of such employee to be employed by the Acquirer or Prospective Acquirer, and (iii) not otherwise interfere with the recruitment, hiring, or employment of any Divestiture Business Employee by the Acquirer or Prospective Acquirer;
3. Respondents shall (i) vest all current and accrued pension benefits as of the date of transition of employment with the Acquirer for any Divestiture Business Employee who accepts an offer of employment from the Acquirer or Prospective Acquirer no later than thirty (30) days from the date Respondents divest the relevant assets and, if necessary, (ii) provide any Key Employee to whom the Acquirer or Prospective Acquirer has made an offer of employment with reasonable financial incentives to accept a position with the Acquirer or Prospective Acquirer at the time of divestiture of the corresponding businesses and assets; and
4. For a period of two (2) years commencing at the date of divestiture applicable to the relevant business within the Divestiture Businesses, Respondents shall not, directly or indirectly, solicit, induce, or attempt to solicit or induce any Divestiture Business Employee who has accepted offers of employment with the Acquirer, or who is employed by the Acquirer, to terminate their employment relationship with the Acquirer; *provided, however*, a violation of this provision will not occur if: (1) the individual's employment has been terminated by the Acquirer, (2) Respondents advertise for employees in newspapers, trade publications, or other media not targeted specifically at the employees, or (3) Respondents hire employees who apply for employment with Respondents, so long as such employees were not solicited by Respondents in violation of this paragraph.

G. No later than five (5) days after the Acquisition Date, Respondents shall:

1. Establish and implement written procedures, subject to the approval of the Hold Separate Trustee, covering the management, maintenance, and independence of the Hold Separate Business consistent with the provisions of this Hold Separate Order; and
2. Circulate to each Hold Separate Employee and to individuals who are employed in Respondents' businesses that compete with the Hold Separate Business, a notice of this Hold Separate Order and the Consent Agreement, in a form approved by the Hold Separate Trustee and in consultation with Commission staff.

VI.

IT IS FURTHER ORDERED that:

- A. Respondents shall (i) keep confidential (including as to Respondents' employees) and (ii) not use for any reason or purpose, any Confidential Information received or maintained by Respondents relating to the Divestiture Business or Divestiture Assets; *provided, however,* that Respondents may disclose or use such Confidential Information in the course of:
 - 1. Performing their obligations or as permitted under this Order, the Hold Separate Order, or any Divestiture Agreement (Hold Separate Employees and Support Services Employees shall be deemed to be performing obligations under this Hold Separate Order); or
 - 2. Complying with financial reporting requirements, obtaining legal advice, defending legal claims, investigations, or enforcing actions threatened or brought against the Divestiture Business or Divestiture Assets, or as required by law.
- B. If disclosure or use of any Confidential Information is permitted to Respondents' employees or to any other Person under Paragraph VI.A. of this Hold Separate Order, Respondents shall limit such disclosure or use (i) only to the extent such information is required, (ii) only to those employees or Persons who require such information for the purposes permitted under Paragraph VI.A., and (iii) only after such employees or Persons have signed an agreement to maintain the confidentiality of such information.
- C. Respondents shall enforce the terms of this Paragraph VI. as to its employees or any other Person, and take such action as is necessary to cause each of its employees and any other Person to comply with the terms of this Paragraph VI., including implementation of access and data controls, training of its employees, and all other actions that Respondents would take to protect its own trade secrets and proprietary information.

VII.

IT IS FURTHER ORDERED that:

- A. The Commission may require that the Hold Separate Trustee and the Hold Separate Managers, as well as each of their consultants, accountants, attorneys, and other representatives and assistants, to sign an appropriate agreement to maintain the confidentiality of any information and materials obtained from (i) the Commission or (ii) the Hold Separate Business in connection with performance of such individuals' duties.
- B. Upon the request of the Hold Separate Trustee or Commission staff, Respondents shall obtain an agreement in writing, from any employee other than those identified in Paragraph VI.B.(iii) of this Order, to maintain the confidentiality of any Confidential Information pertaining to the Hold Separate Business.

VIII.

IT IS FURTHER ORDERED that the Commission may, on its own initiative or at the request of the Hold Separate Trustee, issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of this Hold Separate Order.

IX.

IT IS FURTHER ORDERED that from the date this Hold Separate Order is issued until the Acquisition Date, Respondents shall take all actions necessary to maintain the full economic viability, marketability, and competitiveness of the Divestiture Assets and Divestiture Business, and to prevent the destruction, removal, wasting, deterioration, or impairment of the Divestiture Assets and Divestiture Business (except for ordinary wear and tear).

X.

IT IS FURTHER ORDERED that the purpose of this Hold Separate Order is to (i) preserve the assets and businesses within the Hold Separate Business as a viable, competitive, and ongoing businesses independent of Respondents until the divestitures required by the Decision and Order is achieved; (ii) assure that no Confidential Information is exchanged between Respondents and the Hold Separate Business, except in accordance with the provisions of this Hold Separate Order; (iii) prevent interim harm to competition pending the divestitures and other relief, and (iv) maintain the full economic viability, marketability, and competitiveness of the Divestiture Business and Divestiture Assets, and prevent the destruction, removal, wasting, deterioration, or impairment of any of the Divestiture Assets, except for ordinary wear and tear.

XI.

IT IS FURTHER ORDERED that:

- A. Respondents shall file a verified written report with the Commission setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with this Order to Hold Separate and the Decision and Order no later than thirty (30) days from the date this Hold Separate Order is issued and every thirty (30) days thereafter until Respondents have fully complied with Paragraphs II.A. and II.F. of the Decision and Order.
- B. With respect to any divestiture required by Paragraph II.A. of the Decision and Order, Respondents shall include in their compliance reports (i) the status of the divestiture and transfer of the Divestiture Assets; (ii) a description of all Transitional Services provided to each Acquirer; (iii) a description of all substantive contacts with each Acquirer; and (iv) any other actions taken by Respondents relating to compliance with the terms of this Order and/or any Divestiture Agreement, and (v) as applicable, a statement that any divestiture approved by the Commission has been accomplished, including a description of the manner in which Respondents completed such divestiture and the date the divestiture was accomplished.

XII.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least thirty (30) days prior to:

- A. Any proposed dissolution of Respondents;
- B. Any proposed acquisition, merger, or consolidation of Respondents; or
- C. Any other change in the Respondents, including, but not limited to, assignment and the creation or dissolution of subsidiaries, if such change might affect compliance obligations arising out of the Order.

XIII.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Hold Separate Order, and subject to any legally recognized privilege, and upon written request and upon five (5) days' notice to Respondents, Respondents shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. Access, during business office hours of the Respondents and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of Respondents related to compliance with this Hold Separate Order, which copying services shall be provided by Respondents at their expense; and
- B. To interview officers, directors, or employees of Respondents, who may have counsel present, regarding such matters.

XIV.

IT IS FURTHER ORDERED that this Hold Separate Order shall terminate at the earlier of:

- A. Three (3) business days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34; or
- B. The later of the day after (i) the Hold Separate Trustee completes his Final Report relating to the completion of Respondents' obligations under Paragraphs II.A. and II.F. of the Decision and Order or (ii) the Commission otherwise directs that this Hold Separate Order is terminated.

By the Commission.

Donald S. Clark
Secretary

SEAL

ISSUED: December 20, 2013

Appendix A

SCI Properties To Be Held Separate

State	Area	Owner	FH/ CEM	Property Name & Address
Alabama	Mobile	SCI	FH	Mobile Memorial Gardens Funeral Home 6040 Three Notch Road Mobile, Alabama 36619
California	Los Angeles (Long Beach)	SCI	FH	Lubyen Family Dilday-Motell Mortuary 5161 Arbor Road Long Beach, California 90808
California	Los Angeles (San Fernando Valley)	SCI	FH	Funeraria Del Angel JT Oswald 1001 North Maclay San Fernando, California 91340
California	Los Angeles (East Los Angeles County)	SCI	FH	Custer Christiansen Mortuary 124 S. Citrus Avenue Covina, California 91723
California	San Diego (Northern)	SCI	FH	Clairemont Mortuary 4266 Mt. Abernathy Avenue San Diego, California 92117
California	San Diego (Southern and Eastern)	SCI	FH/ CEM	Greenwood Memorial Park & Mortuary (c) 4300 Imperial Avenue San Diego, California 92113
Florida	Clearwater	SCI	FH	Moss Feaster Funeral Home – Dunedin 1320 Main Street Dunedin, Florida 34698
Florida	Clearwater	SCI	FH	Moss Feaster Funeral Home – Belcher Road 693 South Belcher Road Clearwater, Florida 33764
Florida	Miami-Dade (Miami)	SCI	FH	Funeraria Memorial Plan – San Jose 250 East 4 th Avenue Hialeah, Florida 33010

State	Area	Owner	FH/ CEM	Property Name & Address
Florida	Miami-Dade (Miami)	SCI	FH	Funeraria Memorial Plan – Westchester 9800 SW 24 th Street Miami, Florida 33165
Florida	Miami (Homestead)	SCI	FH	Branam Funeral Home 809 North Krome Avenue Homestead, Florida 33030
Florida	Miami-Dade	SCI	CEM	Memorial Plan Flagler Memorial Park 5301 West Flagler Street Miami, Florida 33134
Florida	Miami-Dade	SCI	CEM	Memorial Plan Miami Memorial Park 6200 SW 77 th Avenue Miami, Florida 33143
Florida	Orlando	SCI	FH	Carey-Hand Cox Parker Funeral Home 1350 West Fairbanks Avenue Winter Park, Florida 32789
Florida	Orlando	SCI	FH	Colonial Chapel/Carey Hand 2811 East Curry Ford Road Orlando, Florida 32806
Florida	Orlando	SCI	FH	Collison Carey Hand Funeral Home 1148 East Plant Street Winter Garden, Florida 34787
Florida	Orlando (West)	SCI	CEM	Orlando Memorial Gardens 5264 Ingram Road Apopka, Florida 32703
Florida	Springhill/ Hudson	SCI	CEM	Grace Memorial Gardens & Funeral Home (c) 17007 US Highway 19 North Hudson, Florida 34667
Florida	Tampa	SCI	CEM	Sunset Funeral Home & Memory Gardens (c) 11005 N US Highway 301 Thonotosassa, Florida 33592
Louisiana	New Orleans	SCI	FH	Schoen Funeral Home

State	Area	Owner	FH/ CEM	Property Name & Address
				3827 Canal Street New Orleans, Louisiana 70119
Louisiana	New Orleans	SCI	FH	Tharp-Sontheimer-Tharp Funeral Home 1600 North Causeway Boulevard Metairie, Louisiana 70001
Louisiana	New Orleans	SCI	FH/ CEM	Garden of Memories Funeral Home & Cemetery (c) 4900 Airline Drive Metairie, Louisiana 70001
Maryland	Washington, DC/Maryland Suburbs	SCI	FH	Edward Sagel Funeral Direction Inc. 1091 Rockville Pike Rockville, Maryland 20852
Mississippi	West Jackson	SCI	FH	Wright & Ferguson Funeral Home 106 Cynthia Street Clinton, Mississippi 39056
Mississippi	West Jackson	SCI	FH	Wright & Ferguson Funeral Home 201 Hinds Boulevard Raymond, Mississippi 39154
Missouri	North Kansas City	SCI	FH/ CEM	Mount Moriah Terrace Park Funeral Home & Cemetery (c) 801 Northwest 108 th Street Kansas City, Missouri 64155
South Carolina	Columbia	SCI	FH	Caughman-Harman St. Andrew's Chapel/Bush River Memorial Gardens (c) 5400 Bush River Road Columbia, South Carolina 29212
Tennessee	Knoxville	SCI	CEM	New Gray Cemetery 2724 Western Avenue Knoxville, Tennessee 37921
Tennessee	Knoxville	SCI	CEM	Greenwood Cemetery 3500 Tazewell Pike Knoxville, Tennessee 37918
Texas	Dallas	SCI	CEM	Lincoln Funeral Home & Cemetery (c)

State	Area	Owner	FH/ CEM	Property Name & Address
	(South)			8100 Fireside Drive Dallas, Texas 75217
Texas	Dallas (South)	SCI	CEM	Lincoln Memorial Park Cemetery 1311 Murdock Road Dallas, Texas 75217
Virginia	Richmond (South)	SCI	CEM	Sunset Memorial Park 2901 West Hundred Road Chester, Virginia 23831

Stewart Properties To Be Held Separate

State	Area	Owner	FH/ CEM	Property Name & Address
California	Auburn	Stewart	FH	Lasilla Funeral Chapel – Auburn 551 Grass Valley Highway Auburn, California 95603
California	Palmdale/ Lancaster	Stewart	FH	Halley-Olsen-Murphy Funerals & Cremations 44831 N. Cedar Avenue Lancaster, California 93534
California	Palmdale/ Lancaster	Stewart	FH	Antelope Valley Cremation Service 619 West Milling Lancaster, California 93534
Florida	St. Petersburg/ Largo	Stewart	CEM	Memorial Park Funeral Home & Cemetery (c) 5750 49 th Street North St. Petersburg, Florida 33709
Florida	St. Petersburg/ Largo	Stewart	CEM	Woodlawn Memory Gardens 101 58 th Street South St. Petersburg, Florida 33707
Florida	Jacksonville	Stewart	FH/CE M	Arlington Park Cemetery/Funeral Home (c) 6920 Lone Star Road Jacksonville, Florida 32211
Florida	Ocala	Stewart	FH	Roberts Funeral Home 606 Southwest 2 nd Avenue Ocala, Florida 34471
Florida	Ocala	Stewart	FH	Roberts Funeral Home – Bruce Chapel East 2739 SSE Maricamp Road Ocala, Florida 34471
Florida	Ocala	Stewart	FH	Roberts Funeral Home – Bruce Chapel West 6241 Southwest State Road 200 Ocala, Florida 34476
Florida	Ocala	Stewart	CEM	Good Shepherd Memorial Gardens 5050 SW 20 th Street Ocala, Florida 32111

State	Area	Owner	FH/ CEM	Property Name & Address
Florida	Orlando (West)	Stewart	CEM	Highland Memory Gardens 3329 East Semoran Boulevard Apopka, Florida 32703
Florida	Port St. Lucie	Stewart	FH/ CEM	Forest Hills Palm City Chapel & Forest Hills Memorial Park (c) 2001 S.W. Murphy Road Palm City, FL 34990
Florida	Tampa	Stewart	FH	Boza & Roel Funeral Home 4730 North Armenia Avenue Tampa, Florida 33603
Georgia	Atlanta	Stewart	CEM	Cheatham Hill Memorial Park/Southern Cremations & Funerals (c) 1860 Dallas Highway SW Marietta, Georgia 30064
Georgia	Atlanta	Stewart	CEM	Holly Hill Memorial Park 359 West Broad Street Fairburn, Georgia 30213
Georgia	Atlanta	Stewart	CEM	Eastlawn Memorial Park 640 McGarity Road McDonough, Georgia 30252
Louisiana	New Orleans	Stewart	FH	Greenwood Funeral Home 5200 Canal Boulevard New Orleans, Louisiana 70124
Maryland	Annapolis	Stewart	CEM	Hillcrest Memorial Gardens 1911 Forest Drive Annapolis, Maryland 21401
Maryland	Baltimore	Stewart	CEM	Parkwood Cemetery 3310 Taylor Avenue Baltimore, Maryland 21234
Missouri	Overland Park, KS	Stewart	FH	Overland Park Chapel 8201 Metcalf Avenue Overland Park, Kansas 66204

State	Area	Owner	FH/ CEM	Property Name & Address
Missouri	South Kansas City, KS/ Missouri	Stewart	FH/ CEM	Johnson County Funeral Chapel & Memorial Gardens (c) 11200 Metcalf Avenue Overland Park, Kansas 66210
North Carolina	New Bern	Stewart	FH	Pollack-Best Funerals & Cremations 2015 Neuse Boulevard New Bern, North Carolina 28560
North Carolina	High Point	Stewart	CEM	Floral Garden Memorial Park 1730 W. English Road High Point, North Carolina 27262
North Carolina	Raleigh	Stewart	FH/ CEM	Montlawn Memorial Pk, Funerals & Crema- tions(c) 2911 South Wilmington Street Raleigh, North Carolina 27603
Pennsylvania	Philadelphia	Stewart	CEM	George Washington Memorial Park/Kirk & Nice Funeral Home, Inc. (c) 80 Stenton Avenue Plymouth Meeting, Pennsylvania 19462
Pennsylvania	Philadelphia	Stewart	CEM	Sunset Memorial Park/Kirk & Nice Suburban Chapel, Inc. (c) 333 County Line Road Feasterville, Pennsylvania 19053
South Carolina	Greenville	Stewart	FH/CE M	Cannon Memorial Pk, Funerals and Cremations (c) 1150 North Main Street Fountain Inn, South Carolina 29644
South Carolina	Greenville	Stewart	FH	Cannon Memorial Park, Funerals and Crema- tions – Jones Chapel 603 West Curtis Street Simpsonville, South Carolina 29681
Tennessee	Kingsport	Stewart	CEM	Oak Hill Memorial Park, Funerals and Cremations (c) 800 Truxton Drive Kingsport, Tennessee 37660

State	Area	Owner	FH/ CEM	Property Name & Address
Tennessee	Nashville	Stewart	FH	Cole & Garrett Funeral Home 127 North Main Street Goodlettsville, Tennessee 37072
Texas	Dallas	Stewart	FH/ CEM	Restland Funeral Home & Cemetery (c) 13005 Greenville Avenue Dallas, Texas 75243
Texas	Southeast Fort Worth	Stewart	FH/ CEM	Emerald Hills Funeral Home & Cemetery (c) 500 Sublett Road Kenedale, Texas 76060
Texas	Houston	Stewart	CEM	South Park Funeral Home & Cemetery (c) 1310 North Main Street Pearland, Texas 77518
Texas	Houston	Stewart	CEM	San Jacinto Memorial Park & Funeral Home (c) 14659 East Freeway Houston, Texas 77015
Virginia	Arlington- Alexandria	Stewart	FH	Everly Wheatley Funeral Home – Alexandria 1500 West Braddock Road Alexandria, Virginia 22302
Virginia	Arlington- Alexandria	Stewart	FH	Everly Community Funeral Care 6161 Leesburg Pike Falls Church, Virginia 22044
Virginia	Richmond (Northwest)	Stewart	CEM	Greenwood Memorial Gardens 12609 Patterson Avenue Richmond, Virginia 23238
West Virginia	Kearneysville	Stewart	CEM	Pleasant View Memory Gardens 2938 Charles Town Road Kearneysville, West Virginia 25430

Confidential Appendix B – Held Separate Employees

[Redacted From the Public Record Version, But Incorporated By Reference]