

PUBLIC VERSION

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

COMMISSIONERS: Deborah Platt Majoras, Chairman
Pamela Jones Harbour
Jon Leibowitz
William E. Kovacic
J. Thomas Rosch

In the Matter of

DAVITA INC.,
a corporation.

File No. 051-0051, Docket No. C-4152

PETITION OF DAVITA INC. FOR APPROVAL OF PROPOSED DIVESTITURE

Pursuant to Section 2.41(f) of the Federal Trade Commission ("Commission") Rules of Practice and Procedure, 16 C.F.R. 241(f) (2002) and Paragraph II of the Decision and Order in the above captioned matter (the "Order"), DaVita Inc. ("DaVita") hereby petitions the Commission to approve the divestiture of the Owned Real Property (as defined in the Order) to The Armstrong Group and Oman-Gibson Associates.

I. DESCRIPTION OF THE PROPOSED DIVESTITURE

On October 4, 2005, DaVita and the Commission entered into an Agreement Containing Consent Orders, which included the Order (collectively the "Consent Agreement") to settle the Commission's charges that DaVita's acquisition of Gambro Healthcare violated federal antitrust laws. The Consent Agreement expressly provides that it does not constitute an admission by DaVita that the law had been violated or that the facts alleged by the Commission in its Complaint are true. The public comment period expired on November 1, 2005, and the Commission approved the issuance of a final consent order on November 18, 2005. Section II of the Order requires Respondent to divest sixty-nine dialysis centers and terminate the management contracts for two dialysis centers. Respondent has completed these divestitures and has provided monthly compliance reports to Commission staff on its compliance with the Consent Agreement.

Section II of the Order also requires Respondent to divest within 120 days after the date the Consent Agreement is accepted for public comment, the Owned Real Property to an Acquirer

or Acquirers that receive the prior approval of the Commission. The Owned Real Property refers to the real property of four of the dialysis clinics. Respondent has already divested each of the four dialysis clinics to Renal Advantage, Inc., a Commission approved buyer. The remaining divestiture at issue only relates to the real property. Respondent has reached agreement with two Acquirers for the Owned Real Property and seeks Commission approval for its proposed divestiture of the Owned Real Property.

This Petition describes the principal terms of the agreement by which DaVita proposes to divest the Owned Real Property to the Armstrong Group and Bond Oman. As more fully described in the transaction documents, DaVita has agreed to divest the Owned Real Property located at:

218 Harding Boulevard, Roseville, CA 95678 (Roseville Dialysis Center)
3204 Churchland Boulevard, Chesapeake, VA 23320 (Gambro Churchland)
311 Goode Way, Portsmouth, VA 23704 (Gambro Portsmouth)
1124 Lakeview Road, Suite 1, Clearwater, FL, 33756 (Gambro Clearwater)

The Armstrong Group is purchasing the real property for the Roseville and Clearwater centers. Oman-Gibson Associates is purchasing the real property for the Portsmouth and Chesapeake centers.

III. THE TRANSACTION DOCUMENTS

DaVita and the two buyers have reached agreements for the divestiture of the Owned Real Property, subject to the approval of the Commission. The agreements are embodied in a series of documents. ("Transaction Documents"). A copy of the Agreements and their attachments, exhibits, and schedules are attached to this Application as Confidential Appendix A.

DaVita requests that the Transaction Documents and other information provided in Confidential Appendix A be treated by the Commission as strictly confidential and not be made available to the public.

IV. THE PROPOSED ACQUIRERS

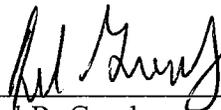
Oman-Gibson Associates and The Armstrong Group are real estate management companies, with significant experience owning, leasing, and managing commercial real estate properties. Oman-Gibson Associates is a Nashville-based health care property firm, which has developed more than 200 properties in the United States. The Armstrong Group is a commercial real estate company, located in Atlanta, Georgia. Both Acquirers have an experienced management team with a proven track record of successfully managing a diverse portfolio of commercial real estate properties in the health care industry. In addition, both Acquirers are financially stable private companies with strong financial backing.

V. Conclusion

The proposed divestiture to The Armstrong Group and to Oman-Gibson Associates will accomplish the purposes of the Consent Agreement. Both buyers have the financial capability and relevant experience to accomplish the stated goals of the Order. Accordingly, DaVita requests that the Commission approve the proposed divestiture.

Dated: February 1, 2006

Respectfully submitted,



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