

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

In the Matter of)	
)	
Service Corporation International,)	
a corporation, and)	Docket No. C-4174
)	File No. 061-0156
Alderwoods Group, Inc.,)	
a corporation)	

**PETITION FOR APPROVAL OF PROPOSED DIVESTITURE
TO FOUND, LLC**

Pursuant to Section 2.41(f) of the Federal Trade Commission (“Commission”) Rules of Practice and Procedure, 16 C.F.R. § 2.41(f) (2006), and Paragraph II.A. of the Decision and Order issued by the Commission in this matter (“Decision and Order”), Respondent Service Corporation International (“SCI”) hereby petitions the Commission to approve the divestiture of Lee Funeral Home, 8521 Sudley Road, Manassas, Virginia, to Found, LLC (“Found”). Found is a corporation that has successfully operated two growing funeral businesses in parts of Northern Virginia outside the relevant geographic market that includes the city of Manassas, as defined in the Complaint in this matter.

The Divestiture Businesses associated with Lee Funeral Home (as defined in the Decision and Order, and hereinafter collectively referred to as the “Found Divestiture Assets”) will be sold to Found pursuant to the Asset Sale Agreement dated July 2, 2007 (the “Sale Agreement”), by and among Found and Alderwoods (Virginia), Inc.

(“Alderwoods Virginia”), an indirectly wholly-owned affiliate of SCI. The executed Sale Agreement is attached hereto as Confidential Exhibit A.

Background

On October 13, 2006, SCI and Respondent Alderwoods Group, Inc. (“Alderwoods”) (collectively, the “Respondents”) executed an Agreement Containing Consent Orders that included the Decision and Order and an Order to Hold Separate and Maintain Assets (collectively, the “Consent Agreement”) to settle the Commission’s charges that the proposed acquisition by SCI of Alderwoods would violate Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18. On November 22, 2006, the Commission accepted the Consent Agreement for public comment, and after the close of the public comment period, the Commission gave final approval to the Consent Agreement and issued the Decision and Order. On November 28, 2006, SCI consummated its acquisition of Alderwoods. Alderwoods is now a wholly owned subsidiary of SCI.

Because the confidential version of this petition, including Confidential Exhibit A, contains confidential and competitively sensitive business information relating to the divestiture of the Found Divestiture Assets — the disclosure of which may prejudice the Respondents and Found, cause harm to the ongoing competitiveness of the Found Divestiture Assets, and impair the Respondents’ ability to comply with their obligations under the Consent Agreement — the Respondents have redacted such confidential information from the public version of this petition. Pursuant to Sections 2.41(f)(4) and 4.9(c) of the Commission’s Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(4) & 4.9(c) (2006), the Respondents request that the confidential version of this petition and the

information contained herein be accorded confidential treatment under 5 U.S.C. § 552 and Section 4.10(a)(2) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 4.10(a)(2) (2006). The confidential version of this petition is also exempt from disclosure under Exemptions 4, 7(A), 7(B), and 7(C) of the Freedom of Information Act, 5 U.S.C. §§ 552(b)(4), 552(b)(7)(A), 552(b)(7)(B), & 552(b)(7)(C), and the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, 15 U.S.C. § 18a(h).

SCI desires to complete the proposed divestiture of the Found Divestiture Assets as soon as possible following Commission approval thereof. All pre-closing conditions have already been satisfied, with the exception of Commission approval and landlord consent for the assignment of a lease, so SCI and Found are in a position to close the divestiture within a few days of such approval and consent.¹

Prompt consummation will further the purposes of the Decision and Order and is in the interests of the public, Found, and the Respondents, because it will allow Found to move forward with its business plans for the competitive operation of the Found Divestiture Assets. SCI accordingly requests that the Commission promptly commence the period of public comment pursuant to Section 2.41(f)(2) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(2) (2006), limit the public comment period to the customary 30-day period, and grant this petition by approving the divestiture of the Found Divestiture Assets to Found pursuant to the Sale Agreement as soon as practicable after the close of the public comment period.

¹ The State Board of Funeral Directors and Embalmers for the Commonwealth of Virginia is required to approve any change in the ownership of a licensed establishment. However, this approval is not required prior to closing. As a result, and consistent with industry practice, the parties expect to submit the application upon closing.

I. The Sale Agreement Is Final and Consistent with the Decision and Order's Terms

Paragraph II.A. of the Decision and Order requires the Respondents to divest the Divestiture Businesses (as defined in the Decision and Order) to a purchaser approved by the Commission. Pursuant to this requirement, SCI has diligently sought a buyer that would be acceptable to the Commission. On July 2, 2007, SCI caused Alderwoods Virginia to enter into a Sale Agreement that requires Alderwoods Virginia to sell the Found Divestiture Assets to Found, the highest bidder.

The Sale Agreement with Found complies with the requirements of Paragraph II of the Decision and Order. Paragraph II.A. requires that Respondents divest the Found Divestiture Assets, absolutely and in good faith. Found will acquire the Found Divestiture Assets pursuant to Section 1.1 of the Sale Agreement.

As required under the Consent Agreement, the Found Divestiture Assets are presently among the assets being operated separately from SCI's other operations under the management of Ron Collins, the independent Manager, and under the supervision of Bill Rowe, the Independent Monitor.

* * *

As demonstrated above and in the accompanying Sale Agreement, SCI has caused its affiliate to enter into an agreement relating to the divestiture of the Found Divestiture Assets that fully complies with the Decision and Order. Accordingly, the Respondents hereby seek Commission approval of the proposed divestitures pursuant to Paragraph II.A. of the Decision and Order.

II. The Proposed Acquirer Will Be a Strong and Effective Competitor

The management of Found has extensive experience in operating funeral homes, and Found has the financial wherewithal to make this acquisition. As a result, Found's

acquisition of the Found Divestiture Assets will assure that Lee Funeral Home remains a strong and effective competitor in Manassas, Virginia.

Background

Found is a locally owned, full-service, family run business that has assisted grieving families for eighteen (18) years. The business is presently operated by Samuel R. Found and Scott O. Found, who are brothers. Found began operations in 1989 when the brothers and their parents purchased an existing funeral home, then known as Culpeper Funeral Home, which served only about 20 families per year at that time. Found changed the name to Found and Sons Funeral Home, and the facility has now grown to serve over 250 families. In 1991, the facility relocated to a new modern building at 850 Sperryville Pike, Culpeper, Virginia 22701, at which both funeral services and administration are carried out. Found also operates a Found & Sons Funeral Home at 10719 Courthouse Road in Fredericksburg, Virginia 22407. This 9,000 squarefoot facility was built in 1998 in a successful attempt to start a funeral business from the ground up. Found now serves about 250 additional families from this location.

Sam and Scott Found have successfully operated their funeral homes by remaining true to their mission of providing each family with options for handling death when it comes, celebrating and honoring life as it was lived and providing resources to help the family move on with life. To accomplish this mission, the Found & Sons Funeral Home offers all the items necessary to create a funeral to each family's satisfaction, including facilities, vehicles, cremation equipment, information technology, video and music equipment and funeral merchandise, such as caskets, urns, jewelry, flowers, printed service materials and keepsake items.

Accomplishing this mission has enabled Found to grow in terms of both revenues and customers served.

Found provides families with personalized options and products to conduct funeral services, and the company has earned an excellent reputation for its outstanding presentation of the deceased, as evidenced by frequent positive written and verbal feedback from families served and the facility's growth in terms of customers served per year. The importance of this art and skill cannot be overestimated in the funeral profession, and Scott and Sam Found consider it among the company's core strengths. The Found funeral homes also enjoy a good reputation with the Commonwealth of Virginia Department of Health Professions, Board of Funeral Directors and Embalmers.

Found does not own any funeral business in either Prince William County or the City of Manassas, nor in any of the surrounding areas as defined in the Decision and Order. The Found family is originally from Prince William County and spent most of their lives in the Manassas area. They are looking forward to returning and offering funeral services to the families with whom they grew up. The Founds are well known or have connections to Culpepper, Fredericksburg and other parts of Northern Virginia, as set forth below.

Financial Capability

Operations Experience

Together, Sam and Scott Found have more than forty years of funeral home operating experience, and their honest and compassionate service has resulted in significant growth in terms of families served.

Before joining Found, Scott Found did the majority of his training at Demaine Funeral Homes, located in both Alexandria and Springfield, Virginia. This experience allowed Scott to work for a firm that handled 1200 families on an annual basis, and Scott was involved in all aspects of the business.

Sam Found has similar experience. While in high school, he started his career by working in Manassas, Virginia for a small family owned firm. He then went to work at Arlington Funeral Home in Arlington, Virginia, where he was involved in all aspects of the business, helping to serve the 700 families that the firm served annually. Sam also worked at funeral homes in Woodbridge and Virginia Beach, Virginia.

Sam and Scott Found expect to apply their management experience from operating Found as well as their experience working at very large funeral home operations to grow the business of the Found Divestiture Assets. In this regard, Sam and Scott Found expect to benefit from operational synergies as a result of this transaction, as the accounting, staffing, and automotive fleet of the Found Divestiture Assets will be centralized with Found's existing operations. Found also plans to retain the present location manager and staff of Lee Funeral

Home. Sam and Scott Found believe this will ensure and enhance the continued competitiveness of the divestiture facility.

III. The Proposed Divestiture Will Achieve the Purposes of the Decision and Order and Result in No Harm to Competition

The proposed divestiture of the Found Divestiture Assets, as embodied in the Sale Agreement, will achieve the purposes of the Decision and Order. Found's management has significant industry experience and a proven track record of successfully operating and improving funeral homes in parts of Virginia located in historic communities situated between Richmond and Washington, DC. Found will complete this acquisition, continue the operation of the Found Divestiture Assets, and enhance their competitiveness in the market for funeral services. Combining the Found Divestiture Assets with Found management's experience will ensure that the objectives of the Commission's Decision and Order will be realized.

The proposed divestiture will result in no harm to competition. There is no overlap between the operations of Found and the Found Divestiture Assets. Consequently, the proposed divestiture does not raise any competitive issue.

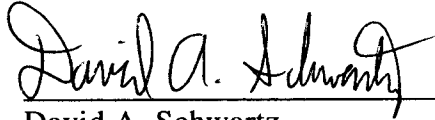
In sum, the proposed divestiture will remedy any anticompetitive effects that could result from the Acquisition. The Sale Agreement will achieve the Commission's stated purposes of ensuring the continued use of the Found Divestiture Assets in the same business in which they were engaged at the time of the announcement of the proposed Acquisition and remedying the lessening of competition as alleged in the Commission's Complaint.

Conclusion

For the foregoing reasons, the Respondents respectfully request that the Commission approve the proposed divestiture of the Found Divestiture Assets to Found, as

embodied in the Sale Agreement, as soon as practicable after expiration of the public comment period.

Respectfully submitted,

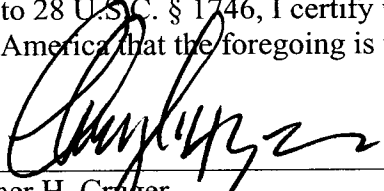


David A. Schwartz
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
(212) 403-1000
Counsel for Respondents
Dated: July 3, 2007

CERTIFICATION OF SERVICE CORPORATION INTERNATIONAL

The facts and information related in the foregoing Petition, insofar as they pertain to Service Corporation International, its subsidiaries, and its assets, are, to the best of my knowledge, true, correct, and complete.

Pursuant to 28 U.S.C. § 1746, I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

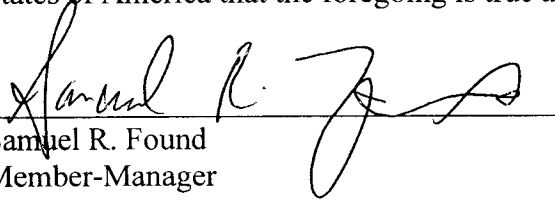


Christopher H. Croger
Vice President, Business Development
Service Corporation International

CERTIFICATION OF FOUND, LLC

The facts and information related in the foregoing Petition, insofar as they pertain to Found, LLC, its subsidiaries, affiliates and management are, to the best of my knowledge, true, correct, and complete.

Pursuant to 28 U.S.C. § 1746, I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.



Samuel R. Found
Member-Manager
Found, LLC

EXHIBIT A

[REDACTED FROM THE PUBLIC RECORD VERSION]