

UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION

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

_____	)	
<b>In the Matter of</b>	)	
	)	<b>DOCKET NO. C-</b>
<b>BOSLEY, INC.</b>	)	
<b>a corporation, and</b>	)	
	)	
<b>ADERANS AMERICA HOLDINGS, INC.)</b>	)	
<b>a corporation, and</b>	)	
	)	
<b>ADERANS CO., LTD.</b>	)	
<b>a corporation.</b>	)	
_____	)	

**COMPLAINT**

Pursuant to the provisions of the Federal Trade Commission Act, as amended, 15 U.S.C. § 41, *et seq.*, and by virtue of the authority vested in it by said Act, the Federal Trade Commission (“Commission”), having reason to believe that Bosley, Inc. and HC (USA), Inc. have violated the provisions of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues this Complaint stating its charges as follows:

**NATURE OF THE CASE**

1. Bosley, Inc. (“Bosley”) and HC (USA), Inc. (“Hair Club”) specialize in the management of medical/surgical hair restoration practices, including providing input on pricing. Bosley and Hair Club have national brand recognition and nationwide geographic footprints. Over a period of several years, Bosley and Hair Club executive officers repeatedly exchanged competitively sensitive, nonpublic information about their respective organizations. These discussions facilitated coordination and endangered competition between the companies in violation of Section 5 of the Federal Trade Commission Act.

## **PRELIMINARY ALLEGATIONS**

2. Respondent Bosley is a corporation organized, existing, and doing business under and by virtue of the laws of the state of Delaware. Its corporate headquarters are located at 9100 Wilshire Blvd., East Penthouse, Beverly Hills, California 90212. Bosley is a wholly-owned subsidiary of Aderans America Holdings, Inc.
3. Respondent Aderans America Holdings, Inc. (“Aderans America”) is a corporation organized, existing, and doing business under and by virtue of the laws of the state of New York. Its corporate headquarters are located at 9100 Wilshire Blvd., East Penthouse, Beverly Hills, California 90212. Aderans America is a wholly-owned subsidiary of Aderans Co., Ltd.
4. Respondent Aderans Co., Ltd. (“Aderans”) is a corporation organized, existing, and doing business under and by virtue of the laws of Japan. Its corporate headquarters are located at 13-4 Araki-cho, Shinjyuku-ku, Tokyo 160-0007, Japan.
5. Hair Club is a corporation organized, existing, and doing business under and by virtue of the laws of the state of Delaware. Its corporate headquarters are located at 1515 South Federal Highway, Suite 401, Boca Raton, Florida 33432. Currently, Hair Club is a subsidiary of Regis Corporation (“Regis”), a corporation organized, existing, and doing business under and by virtue of the laws of the state of Minnesota. Regis’s corporate headquarters are located at 7201 Metro Blvd., Minneapolis, Minnesota 55439.
6. Pursuant to a Stock Purchase Agreement dated July 13, 2012, Aderans proposes to acquire all of Hair Club’s common stock from Regis for \$163.5 million.
7. The primary business of Bosley is the management of medical/surgical hair restoration practices, including providing input on pricing, and the provision of certain non-prescription hair therapy products.
8. The primary business of Hair Club is treatment for hair loss. Hair Club provides non-surgical hair restoration and hair therapy products. Hair Club manages medical/surgical hair restoration practices, including providing input on pricing.

## **JURISDICTION**

9. At all times relevant herein, Respondents Bosley, Aderans America, and Aderans, have been, and they now are, corporations as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.
10. The acts and practices of Respondents, including the acts and practices alleged herein, are in commerce and affect commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

## **LINE OF COMMERCE**

11. Bosley is the largest manager of medical/surgical hair transplantation practices in the United States. Bosley and Hair Club are managers of medical/surgical hair transplantation with nationwide geographic footprints and national brand recognition.

## **EXCHANGES OF COMPETITIVELY SENSITIVE NON-PUBLIC INFORMATION**

12. For at least four years, Bosley's and Hair Club's chief executive officers ("CEOs") repeatedly exchanged competitively sensitive, nonpublic information regarding aspects of their firms' surgical hair transplantation business.
13. Bosley's and Hair Club's CEOs directly exchanged detailed information about future product offerings, surgical hair transplantation price floors, discounting, forward-looking expansion and contraction plans, and operations and performance.
14. Bosley and Hair Club's tacit understanding to exchange information of the nature alleged herein had the purpose, tendency, and capacity to facilitate coordination and served no legitimate business purpose for Bosley, Aderans America, or Hair Club.
15. The exchanges of information, alleged herein, had the effect of reducing Bosley's and Hair Club's uncertainty about a competitor's product offerings, current discounting, geographic expansion and contraction, marketing plans, and operating strategies. The reduction of uncertainty facilitated coordination and endangered competition.
16. Information exchanges were not strictly limited to Bosley and Hair Club. Bosley viewed these information exchanges as business as usual, and indicated that it had similar communications with other competitors.

## **VIOLATIONS ALLEGED**

17. As set forth in Paragraphs 12 through 16 above, Respondent Bosley solicited, exchanged, and obtained competitively sensitive information with and about its competitors. By facilitating coordination and endangering competition, these information exchanges violated Section 5 of the Federal Trade Commission Act, as amended.

18. The acts and practices of Respondents, as alleged herein, constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, as amended. Such acts and practices of Respondents will continue or recur in the absence of appropriate relief.

**WHEREFORE, THE PREMISES CONSIDERED,** the Federal Trade Commission, on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, issues its complaint against Respondents.

By the Commission.

Donald S. Clark  
Secretary

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