

**ANALYSIS OF AGREEMENT CONTAINING
CONSENT ORDERS TO AID PUBLIC COMMENT**
In the Matter of Red Ventures Holdco, LP and Bankrate, Inc.
File No. 171-0196

I. Introduction

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an Agreement Containing Consent Order (“Consent Agreement”) with Red Ventures Holdco, LP (“Red Ventures”) and Bankrate, Inc. (“Bankrate”). The Consent Agreement is intended to remedy the anticompetitive effects that likely would result from Red Ventures’ proposed acquisition of Bankrate (the “Transaction”). Under the Consent Agreement, Red Ventures will divest Caring.com, a subsidiary of Bankrate.

The Transaction, if consummated, would result in the likely lessening of competition between the two leading providers of third-party paid referral services for senior living facilities. Senior living facility operators use a variety of methods to find residents, including in-house marketing efforts, unpaid referrals from doctors or other professionals working with the elderly, and third-party paid referral services. The evidence shows that third-party paid referral services for senior living facilities represents a relevant product market, and that A Place for Mom (“APFM”) and Caring.com are the two largest third-party paid referral services for senior living facilities and each other’s closest competitors. General Atlantic, LLC (“General Atlantic”) and Silver Lake Partners, LP (“Silver Lake”) jointly own all of APFM, own approximately 34 percent of Red Ventures, and have significant control over certain Red Ventures decisions.

The Proposed Order preserves competition between APFM and Caring.com by accepting a Consent Agreement under which Red Ventures will divest Caring.com.

II. The Parties

A. Red Ventures

Red Ventures is a marketing company providing proprietary internet content and customer leads in a variety of industries. Two of its largest shareholders are private equity firms General Atlantic and Silver Lake Partners. They control two of the seven positions on the board of Red Ventures GP, LLC, the entity that manages Red Ventures, and they have approval rights for two other positions. They also must approve significant capital expenditures by Red Ventures. General Atlantic and Silver Lake jointly own APFM, which is the largest third-party paid referral service company for senior living facilities.

B. Bankrate

Bankrate is a marketing company providing proprietary internet content and customer leads for providers in a variety of industries. In connection with the market for providing leads for senior living facilities, Bankrate owns and operates Caring.com, the second largest third-party referral service company for senior living facilities after APFM.

III. The Proposed Transaction

Pursuant to an agreement executed on July 2, 2017, Red Ventures agreed to acquire 100 percent of Bankrate.

IV. The Relevant Market

The Commission's Complaint alleges that the relevant product market within which to analyze the Transaction is third-party paid referral services for senior living facility operators.

Senior living facilities provide a range of specialized long-term residential living options tailored to the needs of senior consumers. Referral services companies generate and collect customer leads for senior living facilities. While many small referral services companies generate leads through marketing and networking efforts similar to those used by real estate agents, APFM and Caring.com use the internet to generate and collect leads. They attract these leads to their websites through both paid search advertising and search engine optimization, which includes, among other things, creating compelling free content to help the websites appear higher in search engine result pages.

Once the referral services companies qualify the leads, they provide the customer leads to the senior living facilities operators. The senior living facilities' sales staff then contacts the leads and seeks to consummate sales. When a consumer moves into a senior living facility, the senior living facility operator pays the referral services company a referral fee, typically based on a percentage of the first month's rent and care.

The Commission's Complaint alleges that the relevant geographic market in which to analyze the effects of the Merger is the United States. Although each senior's search for a senior living facility is highly localized, APFM and Caring.com operate, compete and contract with senior living facility operators on a national basis.

V. Market Structure

The Commission's Complaint alleges that Caring.com is APFM's closest competitor, they are the two largest third-party paid referral services companies for seniors, and they have similar business models. APFM and Caring.com are internet-based referral services providers that compete to attract consumers via websites with national reach, and they enter into contracts with senior living facility operators both locally and nationally. Other than APFM and Caring.com, there is a fringe of small regional and local companies that act as third-party paid referral services companies.

VI. Effects of the Transaction

The Commission's Complaint alleges that the Transaction, if consummated, may substantially lessen present and future competition between APFM and Caring.com by increasing the likelihood that Red Ventures would unilaterally exercise market power and increasing the likelihood of coordinated interaction between APFM and Caring.com.

General Atlantic and Silver Lake have the ability to influence or control the management of Caring.com. They are both active investors with board representation on, and other substantial rights over, Red Ventures. General Atlantic and Silver Lake's ownership of APFM may create incentives for them to exercise influence or control over Red Ventures in a manner that could substantially reduce competition between APFM and Caring.com.

VII. Entry Conditions

Entry into the relevant market would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects of the Transaction. The primary barrier to entry is the network and scale needed to acquire and convert qualified leads into actual move-ins at senior living facilities. This requires the ability not only to compete effectively in search engine optimization and marketing, but also to establish contracts with hundreds of senior living facilities nationwide, and have the necessary infrastructure, including experienced senior advisors, to convert leads into paying referrals.

VIII. The Agreement Containing Consent Order

The Proposed Order resolves the anticompetitive concerns raised by the Transaction by eliminating the only overlap between Red Ventures/Bankrate and APFM. The Proposed Order restores current and potential competition by accepting a divestiture of the Caring.com business. Caring.com was independent before it was acquired by Bankrate.com in 2014, and it continues to operate semi-autonomously. The Proposed Order gives the Commission the right to approve a buyer, and prevents General Atlantic and Silver Lake from being involved in the divestiture process.

The Proposed Order allows the Commission to appoint a monitor to ensure compliance with the terms of the Proposed Order, including the provision of transition services to an acquirer and firewalls related to Caring.com's confidential business information. The Proposed Order also prevents Red Ventures from possessing or seeking any confidential business information from APFM or providing any services to APFM for six months after the divestiture of Caring.com. The Commission may appoint a trustee if Red Ventures has not divested Caring.com and its related assets within the prescribed time-period.

The Commission does not intend this analysis to constitute an official interpretation of the proposed Order or to modify its terms in any way.