

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

**COMMISSIONERS:**        **Joseph J. Simons, Chairman**  
                                  **Noah Joshua Phillips**  
                                  **Rohit Chopra**  
                                  **Rebecca Kelly Slaughter**  
                                  **Christine S. Wilson**

---

<b>In the Matter of</b>	)	
	)	
<b>Agnaten SE</b>	)	
<b>a corporation,</b>	)	
	)	<b>Docket No. C-4707</b>
<b>Veterinary Specialists of North America, LLC</b>	)	
<b>a limited liability company,</b>	)	
	)	
<b>and</b>	)	
	)	
<b>NVA Parent Inc.,</b>	)	
<b>a corporation.</b>	)	
	)	

---

**COMPLAINT**

Pursuant to the Clayton Act and the Federal Trade Commission Act, and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondents Agnaten SE, the owner of Veterinary Specialists of North America, LLC and Compassion-First Pet Hospitals (“Compassion First”), a corporation subject to the jurisdiction of the Commission, has agreed to acquire Respondent NVA Parent Inc. (“NVA”), a corporation subject to the jurisdiction of the Commission, in violation of Section 5 of the Federal Trade Commission Act (“FTC Act”), as amended, 15 U.S.C. § 45, that such acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

## **I. RESPONDENTS**

1. Respondent Compassion First is a private corporation organized, existing, and doing business under and by virtue of the laws of Austria, with its office and principal place of business located at Rooseveltplaz 4-5/Top 10, A-1090 Vienna, Austria, with its United States office for service of process located at 1701 Pennsylvania Avenue, NW, Suite 801, Washington, D.C. 20006.

2. Respondent Veterinary Specialists of North America is a limited liability company organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 106 Apple Street, Tinton Falls, New Jersey 07724.

3. Respondent NVA Parent Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 2000 Avenue of the Stars, 12<sup>th</sup> Floor, Los Angeles, California 90067.

4. Each Respondent is, and at all times relevant herein has been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and is a company whose business is in or affects commerce, as “commerce” is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

## **II. THE PROPOSED ACQUISITION**

5. Pursuant to a Stock Purchase Agreement dated June 3, 2019, Compassion First proposes to acquire all of the assets of NVA in a transaction valued at approximately \$5 billion (the “Acquisition”). The Acquisition is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

## **III. THE RELEVANT MARKETS**

6. The relevant lines of commerce in which to analyze the effects of the Acquisition are individual specialty veterinary services and emergency veterinary services. Specialty veterinary services are required in cases where a general practitioner veterinarian does not have the expertise or equipment necessary to treat the patient. General practitioner veterinarians commonly refer such cases to a specialist, typically a doctor of veterinary medicine who is board-certified within the required specialty. Individual veterinary specialties include internal medicine, neurology, oncology, ophthalmology, radiation oncology, and surgery. Emergency veterinary services are those used in acute situations in which a general practice veterinarian is not available, or in some cases, not properly trained or equipped to treat the patient’s medical problem. Compassion First and NVA both provide specialty and off-hours emergency veterinary services in facilities operated across the United States.

7. For the purposes of this Complaint, the relevant areas in which to assess the competitive effects of the Acquisition are local, delineated by the distance and time that pet owners travel to receive treatment.

8. The specific relevant markets in which to analyze the competitive effects of the Acquisition are:

- a. internal medicine, oncology, ophthalmology, and surgery specialty veterinary services and emergency veterinary services in and around Asheville, North Carolina and Greenville, South Carolina;
- b. neurology and radiation oncology specialty veterinary services in the area between Norwalk, Connecticut and Yonkers, New York; and
- c. emergency veterinary services in and around Fairfax and Manassas, Virginia.

#### **IV. THE STRUCTURE OF THE MARKETS**

9. All of the relevant markets are currently highly concentrated, and the Acquisition combines two close competitors and significantly increases concentration in each market.

10. In the area in and around Asheville, North Carolina and Greenville, South Carolina, the Acquisition would reduce the number of specialty providers of internal medicine, oncology, and ophthalmology services from two to one. The Acquisition would also reduce the number of providers of emergency veterinary services and specialty veterinary surgical services from three to two.

11. In the area between Norwalk, Connecticut and Yonkers, New York, the Acquisition would reduce the number of providers for neurology and radiation oncology from two to one.

12. In the area in and around Fairfax and Manassas, Virginia, Compassion First and NVA are each other's closest competitors and the Acquisition would combine two of a limited number of effective providers of emergency veterinary services in the area.

#### **V. ENTRY CONDITIONS**

13. Entry into the relevant markets would not be timely, likely, or sufficient in magnitude, character, and scope to deter or counteract the anticompetitive effects of the

Acquisition. For *de novo* entrants, obtaining financing to build a new specialty or emergency veterinary facility and acquiring or leasing necessary equipment can be expensive and time consuming. The investment is risky for specialists that do not have established practices and bases of referrals in the area. In addition, extensive education and training, beyond that required to become a general practitioner veterinarian, is required to become a licensed veterinary specialist. Consequently, specialists are frequently in short supply, and recruiting them to move to a new area often takes more than two years. Timely entry by emergency clinics is also difficult and expensive due to the costs and risks associated with emergency staffing and equipment.

## VI. EFFECTS OF THE ACQUISITION

14. The effects of the Acquisition, if consummated, may be to substantially lessen competition and to tend to create a monopoly in the relevant markets in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, by, among other things:

- a. eliminating head-to-head competition between Compassion First and NVA in the provision of specialty and emergency veterinary services;
- b. increasing the likelihood that Compassion First unilaterally exercises market power; and
- c. increasing the likelihood that customers are forced to pay higher prices or experience a degradation in quality of the relevant services.

## VII. VIOLATIONS CHARGED

15. The Acquisition constitutes a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

**WHEREFORE, THE PREMISES CONSIDERED,** the Federal Trade Commission on this fourteenth day of February, 2020 issues its Complaint against said Respondents.

By the Commission.

April J. Tabor  
Acting Secretary

SEAL: