

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

_____	)	
In the Matter of	)	
	)	
<b>Tri Star Energy, LLC,</b>	)	
a limited liability company,	)	
	)	
<b>Hollingsworth Oil Company, Inc.,</b>	)	
a corporation,	)	<b>Docket No. C-4720</b>
	)	
<b>C &amp; H Properties,</b>	)	
a general partnership, and	)	
	)	
<b>Mr. Ronald L. Hollingsworth,</b>	)	
a natural person.	)	
_____	)	

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Tri Star Energy, LLC has entered into an agreement to acquire certain assets of Respondent Hollingsworth Oil Company, Inc. and Respondent C & H Properties, among other entities, from Respondent Mr. Ronald L. Hollingsworth (collectively, “Hollingsworth”), 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 Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and that a proceeding in respect thereof would be in the public interest, hereby issues this complaint, stating its charges as follows.

## I. RESPONDENTS

### Tri Star Energy, LLC

1. Respondent Tri Star Energy, LLC 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 1740 Ed Temple Boulevard, Nashville, Tennessee 37208.
2. Respondent Tri Star Energy, LLC is, and at all times relevant herein has been, engaged in, among other things, the retail sale of gasoline and diesel fuel in the United States.
3. Respondent Tri Star Energy, LLC and the corporate entities under its control are, and at all times relevant herein have been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

### Hollingsworth

4. Hollingsworth is comprised of three affiliated entities:
  - a. Respondent Hollingsworth Oil Company, Inc. is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Tennessee, with its office and principal place of business located at 1503 Memorial Boulevard, Springfield, Tennessee 37172;
  - b. Respondent C & H Properties is a general partnership organized, existing, and doing business under, and by virtue of, the laws of the State of Tennessee, with its office and principal place of business located at 1503 Memorial Boulevard, Springfield, Tennessee 37172; and
  - c. Respondent Ronald L. Hollingsworth is a natural person residing in and doing business under, and by virtue of, the laws of the State of Tennessee, with his office and principal place of business located at 1503 Memorial Boulevard, Springfield, Tennessee 37172.
5. Hollingsworth is, and at all times relevant herein has been, engaged in, among other things, the retail sale of gasoline and diesel fuel in the United States.
6. Hollingsworth 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 Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

## **II. THE PROPOSED ACQUISITION**

7. Pursuant to an Asset Purchase Agreement dated March 6, 2020, as amended (the “Asset Purchase Agreement”), Tri Star Energy, LLC proposes to acquire retail outlets and other interests from Hollingsworth (the “Acquisition”). Tri Star proposes to acquire certain interests of the following Hollingsworth affiliated entities: Hollingsworth Oil Company, Inc., a corporation, Lynn Transport, LLC, a limited liability company, C & H Properties, a general partnership, Hollingsworth Family Limited Partnership, a limited partnership, H & S Properties, a general partnership, Mid-Tenn Services, LLC, a limited liability company, and Ronald L. Hollingsworth, a natural person.

8. The Acquisition is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

## **III. THE RELEVANT MARKET**

9. The relevant product markets in which to analyze the effects of the Acquisition are the retail sale of gasoline and the retail sale of diesel fuel. Consumers require gasoline for their gasoline-powered vehicles and can purchase gasoline only at retail fuel outlets. Consumers require diesel fuel for their diesel-powered vehicles and can purchase diesel fuel only at retail fuel outlets. No economic or practical alternative to the retail sale of gasoline or diesel exists.

10. The relevant geographic markets in which to analyze the effects of the Acquisition are two local markets within the following cities: Whites Creek, Tennessee, and Greenbrier, Tennessee.

11. The relevant geographic markets for retail gasoline and retail diesel fuel are highly localized, ranging up to a few miles, depending on local circumstances. Each relevant market is distinct and fact-dependent, reflecting such features as commuting patterns, traffic flows, and outlet characteristics unique to each market. Consumers typically choose between nearby retail fuel outlets with similar characteristics along their planned routes.

## **IV. MARKET STRUCTURE**

12. With regard to the retail sale of gasoline, the Acquisition, if consummated, would create a merger to monopoly in each relevant geographic market.

13. With regard to the retail sale of diesel fuel, the Acquisition, if consummated, would create a merger to monopoly in each relevant geographic market.

## **V. BARRIERS TO ENTRY**

14. Entry into each relevant market would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects arising from the Acquisition. Significant entry barriers include the availability of attractive real estate, the time and cost associated with constructing

a new retail fuel outlet, and the time associated with obtaining necessary permits and approvals.

## **VI. EFFECTS OF THE ACQUISITION**

15. The effects of the Acquisition, if consummated, may be to substantially lessen competition and tend to create a monopoly in each relevant market 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 increasing the likelihood that Respondent Tri Star would unilaterally exercise market power in each relevant market.

## **VII. VIOLATIONS CHARGED**

16. The Acquisition described in Paragraph 7, if consummated, would constitute 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.

17. The Asset Purchase Agreement entered into by Tri Star Energy, LLC, and Hollingsworth constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

**IN WITNESS WHEREOF**, the Federal Trade Commission, having caused this Complaint to be signed by the Secretary and its official seal affixed, at Washington, D.C., this twenty-third day of June, 2020, issues its Complaint against Respondents.

By the Commission, Commissioner Slaughter not participating.

April J. Tabor  
Secretary