



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

MAY 11 1995

Office of the Director  
Bureau of Competition

Howard P. Kamins, Esq.  
Assistant General Counsel  
NovaCare, Inc.  
1016 West Ninth Avenue  
King of Prussia, Pennsylvania 19406

Re: HEALTHSOUTH/NovaCare, FTC File No. 951-0060

Dear Mr. Kamins:

The Commission has conducted an investigation to determine whether the proposed acquisition by HEALTHSOUTH Corp. of rehabilitation hospitals and other health facilities from NovaCare, Inc. may violate Section 7 of the Clayton Act or Section 5 of the Federal Trade Commission Act.

Upon further review of this matter, it now appears that no further action is warranted by the Commission at this time. Accordingly, pursuant to authority delegated by the Commission, 49 Fed. Reg. 6171 (1984), the investigation has been closed. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,

A handwritten signature in cursive script that reads "William J. Baer".

William J. Baer  
Director