

For Your Information: 03/24/2011

FTC Withdraws Appeal Seeking a Preliminary Injunction to Stop LabCorp's Integration With Westcliff Medical Laboratories

The Federal Trade Commission has withdrawn its appeal of a court order denying a preliminary injunction regarding Laboratory Corporation of America's 2010 acquisition of Westcliff Medical Laboratories, Inc. Although LabCorp consummated the acquisition in June 2010, the FTC was seeking the federal court injunction to prevent LabCorp from integrating the companies pending the outcome of administrative litigation. The FTC also has withdrawn the matter from administrative adjudication – a step that stops the trial proceedings, but does not conclude the case.

In its administrative complaint, issued on December 1, 2010, the FTC charged that LabCorp's acquisition of Westcliff, which was completed June 16, 2010, violated antitrust laws and would lead to higher prices and lower quality in the Southern California market for the sale of clinical laboratory testing services to physician groups. The complaint also alleged that the acquisition would leave only two significant laboratories in Southern California competing to provide critical testing services to most physician groups.

The Commission vote authorizing the withdrawal of the pending appeal was 4-1, with Commissioner Julie Brill dissenting and issuing a separate statement. In her dissenting statement, Commissioner Brill discussed "important principles of merger law" at issue in the case that, in her view, "merit an appeal."

The Commission vote approving the order withdrawing the matter from administrative adjudication was 5-0. (FTC File No. 1010152, Docket No. 9345; the staff contact is John F. Daly, Office of the General Counsel, 202-326-2244; see press release dated December 1, 2010.)

Copies of the documents mentioned in this release are available from the FTC's website at http://www.ftc.gov and from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, DC 20580. Call toll-free: 1-877-FTC-HELP.

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Related Items:

Federal Trade Commission, Plaintiff v. Laboratory Corporation of America and Laboratory Corporation of America Holdings, Defendants.

(United States District Court for the Central District of California)

Case No. 8:10-cv-01873-AG-MLG

FTC File No. 101 0152

In the Matter of Laboratory Corporation of America and Laboratory Corporation of America Holdings, corporations.

FTC File No. 1010152 Docket No. 9345

Last Modified: Friday, June 24, 2011