all or substantially all of any rehabilitation hospital facility it operates in any relevant market area (except pursuant to a divestiture required by Paragraph II of this order), unless the acquiring person files with the Commission, prior to the closing of such acquisition, a written agreement to be bound by the provisions of this order as applicable to the facility and the relevant market area in which the acquired facility is located, which agreement respondent shall require as a condition precedent to the acquisition.

VII

It is further ordered that:

A. Within sixty (60) days after the date this order becomes final and every sixty (60) days thereafter until the respondent has fully complied with Paragraphs II and III of this order, the respondent shall submit to the Commission a verified written report setting forth in detail the manner and form in which it intends to comply, is complying, and has complied with Paragraphs II and III of this order. Respondent shall include in its compliance reports, among other things that are required from time to tome, a full description of the efforts being made to comply with Paragraphs II and III of the order, including a description of all substantive contracts or negotiations for the divestiture of the assets identified in Paragraph II.A. above, the steps taken to terminate the contracts identified in Paragraph II.B. above, and the identity of all parties contacted. Respondent shall also include in its compliance reports, subject to any legally recognized privilege, copies of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning divestiture.

B. One (1) year from the date this order becomes final, annually for the next nine (9) years on the anniversary of the date this order becomes final, and at other times as the Commission may require, respondent shall file a verified written report with the Commission setting forth in detail the manner and form in which it has complied and it is complying with Paragraphs IV, V, and VI of this order.

VIII

It is further ordered that respondent shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other

change in the corporation that may affect compliance obligations arising out of the order.

ΙX

It is further ordered that, for the purpose of determining or securing compliance with this order, and subject to any legally recognized privilege, the respondent shall permit any duly authorized representative of the Commission:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of the respondent relating to any matters contained in this order; and

B. Upon five days; notice to respondent and without restraint or interference from it, to interview officers, directors, or employees of respondent.

In the matter of HEALTH REHABILITATION CORPORATION, a corporation File No. 951–0007.

Agreement to Hold Separate

This agreement to Hold Separate ("Agreement") is by and between **HEALTHSOUTH Rehabilitation** Corporation ("respondent" or "HEALTHSOUTH"), a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business at Two Perimeter Park South, Birmingham, Alabama 35243; and the Federal Trade Commission ("Commission"), and independent agency of the United States Government, established under the Federal Trade Commission Act of 1914, 15 U.S.C. 41, et seq.

Whereas, on or before September 18, 1994, HEALTHSOUTH agreed to merge with ReLife, Inc. ("Relife"), and thereby acquire, *inter alia*, a majority partnership interest in Nashville Rehabilitation Hospital in Nashville, Tennessee (the "Acquisition"); and

Whereas, The Commission is now investigating the Acquisition to determine if it would violate any of the status enforced by the Commission; and

Whereas, if the Commission accepts the Agreement Containing Consent Order in this matter ("Consent Order"), which would require the divestiture of ReLife's majority partnership interest in, and certain other assets listed in Paragraph II.A. of the Consent Order Relating to, Nashville Rehabilitation Hospital (which assets, together with the Hospital, hereinafter are referred to as the "NRH Assets"), the Commission must place the Consent Order on the

public record for a period of at least sixty (60) days and may subsequently withdraw such acceptance pursuant to the provisions of Section 2.34 of the Commission's Rules; and

Whereas, the Commission is concerned that if an understanding is not reached, preserving the *status quo ante* of the NRH Assets during the period prior to the final acceptance and issuance of the Consent Order by the Commission (after the 60-day public comment period), divestiture resulting from any proceeding challenging the legality of the Acquisition might not be possible, or might be less than an effective remedy; and

Whereas, the Commission is concerned that if the Acquisition is consummated, it will be necessary to preserve the Commission's ability to compel the divestiture required by Paragraphs II.A. and III of the Consent Order and the Commission's right to have NRH Assets continue as a viable independent rehabilitation hospital facility; and

Whereas, the purpose of this Agreement and the Consent Order is to:

- (i) Preserve the NRH Assets as a viable independent inpatient rehabilitation hospital facility pending the divestiture required by Paragraphs II.A. and III of the Consent Order, and
- (ii) Remedy any anticompetitive effects of the Acquisition;

Whereas, respondent's entering into this Agreement shall in no way be construed as an admission by respondent that the Acquisition is illegal; and

Whereas, respondent understands that no act or transaction contemplated by this Agreement shall be deemed immune or exempt from the provisions of the antitrust laws or the Federal Trade Commission Act by reason of anything contained in this Agreement.

Now, therefore, the parties agree as follows, upon understanding that the Commission has not yet determined whether the Acquisition will be challenged, and in consideration of the Commission's agreement that, unless the Commission determines to reject the Consent Order, it will not seek further relief from respondent with respect to the Acquisition, except that the Commission may exercise any and all rights to enforce this Agreement and the Consent Order to which it is annexed and made a part thereof, and in the event the required divestiture is not accomplished, to appoint a trustee to seek divestiture of the NRH Assets pursuant to the Consent Order:

1. Respondent agrees to execute the Agreement Containing Consent Order