

The Federal Trade Commission (FTC) obtains record US\$12 million penalty for HSR filing avoidance

July 2026

On July 13, 2026, the FTC announced a proposed settlement imposing US\$12 million in civil penalties against Edwards Lifesciences Corp. and Genesis MedTech Group for alleged violations of the Hart-Scott-Rodino Act (the “HSR Act”). [According to the FTC](#), this is the largest civil penalty ever obtained for alleged failure to comply with the premerger notification requirements of the HSR Act, highlighting that HSR avoidance remains an important enforcement priority. Importantly, the alleged violation came to light during the agency’s investigation of a separate transaction that was subject to an in-depth Second Request investigation, highlighting the risk that information uncovered during a merger investigation can lead to independent enforcement actions.

The FTC’s allegations

The FTC alleged that Edwards agreed to acquire JC Medical for US\$115 million, just below the HSR threshold (US\$119.5 million at the time), while making a contemporaneous investment in Genesis MedTech for US\$25 million. The complaint alleges that the parties structured the transaction in this way to avoid the consideration for JC Medical exceeding the HSR threshold, which would have triggered a mandatory HSR Act notification and corresponding 30-day waiting period before the parties could close. The FTC contends that the structure was designed to avoid HSR review while Edwards was pursuing a separate acquisition of a company called JenaValve, a deal the FTC successfully obtained a [preliminary injunction](#) to enjoin in January 2026. It was during the FTC’s investigation of the JenaValve deal that the JC Medical acquisition came to the FTC’s attention.

Key takeaways

While merger enforcement priorities have evolved, HSR compliance remains a bipartisan priority. During the Biden administration, FTC leadership warned that HSR avoidance posed an “existential threat” to the effectiveness of the premerger notification program. The Edwards settlement demonstrates that the current enforcement agencies, including the Department of the Justice (DOJ), which shares responsibility for administering the premerger notification program, continue to treat alleged efforts to circumvent the HSR Act as serious violations warranting substantial penalties. It follows other recent HSR enforcement actions seeking millions of dollars in penalties, signaling that the agencies remain focused on identifying and pursuing conduct they believe undermines the integrity of the HSR Act’s premerger notification requirements. Deal teams should evaluate the substance of all related agreements, investments and consideration early in the transaction process and ensure that HSR analyses are carefully documented.

The Edwards settlement also highlights a frequently overlooked risk of the Second Request process. During a Second Request investigation, the agencies obtain access to extensive internal documents, communications, data and testimony well beyond the materials initially submitted with an HSR filing. As a result, the review often provides insight into a company’s broader business practices and prior transactions. Information disclosed during the Second Request can therefore lead to separate investigations into potential HSR compliance issues, gun jumping, information sharing or other potential antitrust violations unrelated to the competitive merits of the transaction under review. A well-known example is the canned tuna price-fixing investigation, which arose from evidence uncovered during a [Second Request investigation](#). Companies contemplating complex US antitrust review should always consider these ancillary risks, including evaluating potential exposure as early as possible in the document review process.

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