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8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10 UNITED STATES OF AMERICA,
11 Plaintiff,

12 v.

13 UNITED FOAM CORPORATION, and
14 STAUFFER CHEMICAL COMPANY,
15 Defendants.

)
)
) Civil Action No. 72-1490-CC

)
) Filed: April 30, 1973

)
) Entered: May 30, 1973
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16
17 FINAL JUDGMENT

18 Plaintiff, United States of America, having filed its
19 complaint herein on June 29, 1972, and defendant United Foam
20 Corporation having filed its answer thereto; and defendant
21 United Foam Corporation having consented to this Final
22 Judgment without trial or adjudication of any issue of fact
23 or law herein and without any admission by plaintiff or said
24 defendant in respect to any issue:

25 NOW THEREFORE before any testimony has been taken and without
26 trial or adjudication of any issue of fact or law and upon consent
27 of the parties, it is hereby

28 ORDERED, ADJUDGED, AND DECREED as follows:

29
30 I.

31 This Court has jurisdiction over the subject matter of this
32 action and the parties consenting to this Final Judgment. The

1 complaint states a claim upon which relief may be granted against
2 the defendant under Section 7 of the Act of Congress of October 15,
3 1914, as amended (15 U.S.C. § 18) commonly known as the Clayton
4 Act.

5 II.

6 As used in this Final Judgment:

7 (A) "Person" shall mean any individual, partnership,
8 corporation, or any other business or legal entity;

9 (B) "Subsidiary" shall mean a company which a person controls
10 or has the power to control or any company more than 50 percent
11 of whose voting securities is owned or controlled by any person
12 directly or indirectly;

13 (C) "United" shall mean defendant United Foam Corporation;

14 (D) "Flexible urethane foam" shall mean a prime synthetic
15 material used for, among other things, automotive padding,
16 furniture cushions, carpet underlays, packaging and similar purposes.

17 III.

18 The provisions of this Final Judgment applicable to the
19 defendant shall also apply to its officers, directors, subsidiaries,
20 successors, and assigns and to any person in active concert or
21 participation with any of them who receives actual notice of
22 this Final Judgment by personal service or otherwise. Any person
23 not a party to this Final Judgment who acquires any securities or
24 assets by means of a divestiture made pursuant to this Final
25 Judgment shall not be considered to be a successor or assign
26 of the defendant.

27 IV.

28 (A) Within twenty-four (24) months from the date of this
29 Final Judgment, defendant United shall, subject to the terms
30 and conditions of this Final Judgment, divest all of its interest
31 in the assets of its Compton, California facilities consisting
32 of the real property and the physical plant and equipment used for
the manufacture and processing of flexible urethane foam, which

1 equipment to be divested is listed in Exhibit "A" attached hereto,
2 and incorporated herein by this reference.

3 (B) The divestiture ordered by this Final Judgment shall be
4 made in good faith and shall be absolute and unqualified;

5 (C) Divestiture under this Final Judgment shall be to a
6 person or persons first approved by the plaintiff, or failing
7 such approval with the approval of the Court, upon a proper
8 showing and upon notice to the plaintiff.

9 (D) At least 60 days in advance of the closing date specified
10 in any contract of sale pursuant to this Final Judgment, defendant
11 shall supply plaintiff with the name of the proposed purchaser,
12 with all pertinent information and material respecting the proposed
13 sale, together with any additional information plaintiff may request;

14 (E) Following the entry of this Final Judgment, United shall
15 submit written reports every six months to the Assistant Attorney
16 General in charge of the Antitrust Division describing the efforts
17 made by it to divest the business required to be divested pursuant
18 to subsection (A) of this Section IV;

19 (F) United shall make known the availability for sale of
20 the business to be divested by the ordinary and usual means for a
21 sale of such a business and shall furnish to all bona fide
22 prospective purchasers on an equal and nondiscriminatory basis
23 all information regarding the business to be divested which is
24 reasonably necessary for the above purpose;

25 (G) Any contract of sale pursuant to this Final Judgment
26 shall require the purchaser to file with this Court its
27 representation that it intends to continue the business of the
28 Compton, California facility for manufacturing and processing
29 flexible urethane foam and agree to submit to the jurisdiction
30 of this Court and to be bound by the appropriate terms of this
31 Final Judgment;
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1 (B) If United receives as a part of such divestiture any
2 securities from a person to whom divestiture is made, such
3 securities (other than securities originally issued by United)
4 (1) shall not be voted by United and (2) shall be disposed of
5 not later than two years after such securities are received;

6 (I) If the divestiture requirements of subsection (A) of
7 this Section IV have not been met within twenty-four (24) months
8 from the date of entry of this Final Judgment, United shall place
9 in the control of a Trustee all of United's interest in the
10 property to be divested, for the sole purpose of enabling the
11 Trustee to effectuate a sale of United's said undivested interest.
12 The Trustee shall be appointed by the Court upon application
13 of the plaintiff, and shall perform at the cost and expense of
14 the defendant.

15 (1) Said Trustee shall, within one year after
16 his appointment by the Court, dispose of
17 United's interests, subject to any limitations
18 of Section IV herein. Said disposal shall be
19 made only after the Trustee has obtained the
20 approval of the plaintiff.

21 (2) Upon obtaining the approval of the plaintiff
22 pursuant to paragraph IV (I) (1) above, and
23 as soon as possible, but not less than thirty
24 days in advance of said proposed disposition,
25 the Trustee shall notify the defendant of the
26 terms and conditions of the proposed disposition,
27 and United shall have twenty (20) days thereafter
28 to file with this Court any objections it may have
29 to the proposed divestiture and the Court shall
30 hear all parties with respect thereto.

31 (3) Until the divestiture required by this Final
32 Judgment is accomplished, United shall be in full
control of the operations and management of said

1 business. During the period of time in which
2 the Trustee shall be attempting to effectuate
3 a sale of United's said undivested interest, United
4 shall take no action to impair either the
5 viability of the business to be divested or United's
6 ability to accomplish said divestiture, and United
7 shall use its best efforts in operating and
8 promoting the business to be divested. In the
9 event that United fails to so manage the business,
10 the Trustee shall have full authority to manage
11 said business, subject to the approval and
12 supervision of the Court.

13 (J) Until the divestiture required by this Final Judgment
14 is accomplished, United shall take no action to impair the
15 viability of the business to be divested or United's ability
16 to accomplish such divestiture, and United shall use its best
17 efforts in operating and promoting the business to be divested.

18 V.

19 Defendant United is enjoined and restrained for a period
20 of ten (10) years from acquiring any assets, shares, or stock,
21 or other interest in the business of any person engaged in the
22 manufacture and/or processing of flexible urethane foam unless
23 60 days' notice of its intention to make said acquisition is first
24 given to the Assistant Attorney General in charge of the
25 Antitrust Division. In the event plaintiff shall object to any
26 acquisition as described above, United may not make such acquisition
27 without first applying to this Court for permission to make such
28 acquisition which may be granted upon a showing to the
29 satisfaction of this Court that the acquisition will not
30 substantially lessen competition or tend to create a monopoly
31 in any line of commerce in any section of the Country.
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1 VI.

2 (A) For the purpose of determining or securing compliance
3 with this Final Judgment and for no other purpose, defendant
4 United shall permit duly authorized representatives of the
5 Department of Justice on written request of the Attorney General
6 or the Assistant Attorney General in charge of the Antitrust
7 Division and on reasonable notice to such defendant's principal
8 office subject to any legally recognized privilege:

9 (1) Access during the office hours of such
10 defendant who may have counsel present to
11 those ledgers, accounts, correspondence,
12 memoranda, and other records and documents
13 in the possession or under the control of
14 such defendant which relate to any matters
15 contained in this Final Judgment;

16 (2) Subject to the reasonable convenience of such
17 defendant and without restraint or interference to
18 interview officers or employees of such defendant
19 who may have counsel present regarding such matters.

20 (B) Upon such written request of the Attorney General or
21 the Assistant Attorney General in charge of the Antitrust
22 Division such defendant shall submit such reports in writing
23 with respect to any matters contained in this Final Judgment
24 as may from time to time be requested; and

25 (C) No information obtained by the means provided in this
26 Section VI of this Final Judgment shall be divulged by any
27 representative of the Department of Justice to any person
28 other than a duly authorized representative of the executive
29 branch of the plaintiff except in the course of legal proceedings
30 to which the United States is a party for the purpose of
31 securing compliance with this Final Judgment or as otherwise
32 required by law.

1 VII.

2 Jurisdiction is retained by this Court for the purpose of
3 enabling any of the parties to this Final Judgment to apply to
4 this Court at any time for such further orders and directions
5 as may be necessary or appropriate for the construction or
6 modification of any of the applicable provisions thereof for
7 the enforcement of compliance therewith and for the punishment
8 of violations thereof.

9 VIII.

10 This Final Judgment shall remain in full force and effect
11 for ten (10) years and no longer from the date of entry hereof
12 except as to any provision herein for which a shorter term
13 is specified therein.

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15 Dated: May 30, 1973

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17 /s/ CHARLES H. CARR
18 UNITED STATES DISTRICT JUDGE
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EXHIBIT A

The following is a list of the present equipment installed in the Compton, California facility, located at 19201 South Reyes Avenue, used for the manufacture and processing of flexible urethane foam, which is to be divested by United Foam Corporation:

1. One (1) urethane foam machine and production line;
2. Twelve (12) storage tanks for raw materials;
3. One (1) conveyor system, including one (1) traveling cut-off saw, and one (1) stationary saw;
4. Four (4) scales;
5. Three (3) slitters with conveyor attachments;
6. Two (2) table slitters;
7. One (1) air compressor;
8. Two (2) buffers;
9. Seven (7) vertical band saws;
10. Two (2) tying machines;
11. Two (2) clicker machines (die-cut machines, with conveyor attachment);
12. One (1) foam shredder;
13. One (1) horizontal roll slitter;
14. One (1) hole punch machine;
15. One (1) tilt vertical band saw;
16. One (1) fully-equipped maintenance shop;
17. Miscellaneous: Storage racks, carts, work tables, vacuum machine, laboratory equipment.