



Department of Justice

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**JUSTICE DEPARTMENT FILES SUIT CHARGING COMPANY
WITH VIOLATING PREMERGER NOTIFICATION REQUIREMENTS**

WASHINGTON, D.C. -- The Department of Justice today filed a civil antitrust suit seeking a penalty of \$850,000 from Equity Group Holdings for violating the premerger notification requirements of the Hart-Scott-Rodino Act. At the same time, the Department filed a proposed consent decree that, if approved by the court, would settle the suit.

The complaint against the Washington private investment firm was filed in U.S. District Court in Washington at the request of the Federal Trade Commission.

James F. Rill, Assistant Attorney General in charge of the Antitrust Division, said, "The Antitrust Division and the Federal Trade Commission share a strong commitment to ensure that stock acquisitions comply with the Hart-Scott-Rodino notification requirements. We will continue to bring civil penalty actions for violations of the Act."

The complaint alleges that Equity Group failed to comply with the reporting and waiting period requirements of the act from May 18, 1988, through November 25, 1988.

The Hart-Scott-Rodino Act imposes notification and waiting period requirements on individuals and companies over a certain

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size that contemplate mergers or acquisitions of stock or assets over a certain value or ownership percentage. The act is intended to improve antitrust enforcement by ensuring that the government receives advance notice of significant mergers and similar transactions.

The complaint alleges that Equity Group violated the act in connection with its acquisition on May 18, 1988, of more than \$15 million worth of voting securities of Interco Inc. of St. Louis, Missouri. At the time of Equity Group's stock acquisition, Interco was a diversified producer of consumer goods, including Ethan Allen, Broyhill and Lane furniture, Florsheim shoes, London Fog apparel and Converse athletic footwear.

The complaint alleges that Equity Group's acquisitions of Interco stock from May 24, 1988, through July 27, 1988, were structured through a limited partnership that was created for the purpose of avoiding the obligation to comply with the Hart-Scott-Rodino Act. However, according to the complaint, the substance of the transaction was, in reality, an acquisition by Equity Group of Interco stock, which was a violation of the act.

Under the act, any person or company that fails to comply with the act's requirements is liable for a civil penalty of up to \$10,000 for each day the violation continues.

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