



Department of Justice

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**CONSTRUCTION CO. AGREES TO PAY \$760,000 CIVIL PENALTY
FOR VIOLATING PREMERGER NOTIFICATION REQUIREMENTS**

WASHINGTON, D.C. -- The Department of Justice today filed an antitrust suit seeking a \$760,000 civil penalty from Beazer plc of London, England, for violating the premerger notification and waiting period requirements of the Hart-Scott-Rodino Act. At the same time, the Department filed a proposed consent decree to settle the suit.

According to the complaint, filed at the request of the Federal Trade Commission in U.S. District Court in Washington, Beazer violated the act in connection with the acquisition of voting securities of Koppers Company Inc., a U.S. company engaged in the construction materials and services industries with principal offices in Pittsburgh, Pennsylvania.

The complaint alleged that Beazer did not comply with the act before its holdings of Koppers voting securities exceeded the act's \$15 million threshold on October 19, 1987, and that Beazer remained in continuous violation of the act until March 18, 1988, a total of 152 days.

Charles A. James, Acting Assistant Attorney General in charge of the Antitrust Division, said, "The Antitrust Division and the Federal Trade Commission share the strong belief that the

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Hart-Scott-Rodino Act provides a highly important antitrust law enforcement tool by requiring that parties to certain large mergers and acquisitions notify the antitrust law enforcement agencies and observe a waiting period before consummating their transactions.

"To ensure that this enforcement tool continues to command the necessary respect, we will maintain our policy of bringing civil penalty actions when we discover violations of the act."

According to the complaint, Beazer, a multinational general construction company that, through its subsidiary, was engaged in the aggregates and cement industries in the United States, developed a plan to acquire all of Koppers' voting securities in a series of acquisitions through several entities.

In particular, Beazer created and employed a partnership to acquire Koppers voting securities as a device for the purpose of avoiding its obligation to comply in a timely manner with the requirements of the act.

The rules implementing the act provide that in such instances the obligation to comply with the act be determined by applying the act and rules to the substance of the transaction, which in this instance was acquisitions by Beazer of Koppers' voting securities.

Under the terms of the proposed settlement, Beazer has agreed to pay a civil penalty of \$760,000.

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In March 1988, the Department challenged Beazer's proposed acquisition of Koppers under the antitrust laws and settled the case through a consent decree.

That complaint alleged that the acquisition would lessen competition in the market for extraction, processing and sale of aggregate rock, sand and gravel used mainly in making concrete and as a road base in highway construction in portions of Los Angeles County and Orange County, both California.

The consent decree required divestiture of Koppers' aggregate facility in Irwindale, California.

The Hart-Scott-Rodino Act of 1976, an amendment of the Clayton Act, imposes notification and waiting period requirements on individuals and companies over a certain size that undertake mergers or acquisitions of stock or assets over a certain value or ownership percentage.

The act permits a federal court, at the Department's request, to assess a civil penalty of up to \$10,000 for each day that a party is in violation.

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