



# Department of Justice

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**INDIVIDUAL AGREES TO PAY \$1.9 MILLION PENALTY  
FOR VIOLATING PREMERGER NOTIFICATION REQUIREMENTS**

WASHINGTON, D.C. -- The Department of Justice today filed a civil antitrust suit seeking a \$1,976,000 penalty from Harold A. Honickman of Loveladies, New Jersey, 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 that, upon entry by the court, would settle the suit.

According to the complaint filed at the request of the Federal Trade Commission in U.S. District Court in Washington, D.C., Honickman violated the act in connection with the acquisition of assets of Seven-Up Brooklyn Bottling Company Inc., a company engaged in the production, distribution and sale of carbonated soft drinks in the New York metropolitan area.

The complaint alleged that Honickman did not comply with the act before acquiring assets of Brooklyn Seven-Up in excess of the act's \$15 million threshold on or shortly after July 31, 1987, and that Honickman remained in continuous violation of the act until or about December 13, 1988.

Charles A. James, Acting Assistant Attorney General in charge of the Antitrust Division, said, "The Antitrust Division

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and the Federal Trade Commission share the strong belief that the 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, Honickman, employed several entities as devices for the purpose of avoiding his obligation to comply 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 the acquisition by Honickman of Brooklyn Seven-Up assets.

In November 1989, the Federal Trade Commission challenged Honickman's acquisition of Brooklyn Seven-Up assets under the antitrust laws and settled the case through a consent agreement.

The Hart-Scott-Rodino Act of 1976, an amendment to the Clayton Act, imposes notification and waiting period requirements on individuals and companies over a certain size that undertake

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mergers or acquisitions of stock or assets over a certain value or ownership percentage.

The act permits a federal court, at the Justice 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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