



Department of Justice

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JUSTICE DEPARTMENT SETTLES CIVIL CONTEMPT CLAIM AGAINST EARTHGRAINS BAKING COMPANIES, INC.

WASHINGTON, D.C. -- The Department of Justice today filed a proposed settlement agreement with Earthgrains Baking Companies, Inc. resolving alleged violations of the consent decree governing Earthgrains' acquisition of Metz Baking Company in 2000. Under the settlement, Earthgrains agreed to pay a \$100,000 civil penalty to the United States.

Along with the settlement, the Department also filed a petition with the U.S. District Court in Chicago, Ill. to find Earthgrains in civil contempt for violating the consent decree. According to the Department's petition, Earthgrains violated the consent decree by: (1) failing to maintain the required level of promotional support for the brands that were to be divested; (2) transferring employees who worked at the Des Moines, Iowa bakery that produced the divestiture assets to other bakeries owned by Earthgrains that were not affected by the divestiture; and (3) closing the Des Moines, Iowa bakery prior to the divestiture.

"Companies must abide by the terms of consent decrees," said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division. "The Department will aggressively enforce its decrees to ensure that parties adhere to the requirements of the court's orders and that competition is protected by the relief we obtain."

On March 20, 2000, the Department of Justice filed suit against Earthgrains under Section 7 of the Clayton Act to prevent its acquisition of Metz Baking Company. That same day,

the Department's Antitrust Division filed a proposed Final Judgment resolving its concerns with the transaction. A Hold Separate Stipulation and Order, which detailed the parties' obligations and duties relating to the operation and management of the to-be-divested assets was entered by the Court on March 20, 2000.

Earthgrains Baking Companies, Inc. is the successor in interest to The Earthgrains Company, which was a party to the 2000 consent decree.

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