



Department of Justice

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INVESTMENT FUNDS WILL PAY CIVIL PENALTIES TOTALING \$800,000 FOR VIOLATING ANTITRUST PREMERGER NOTIFICATION REQUIREMENTS

WASHINGTON — Two related investment funds will pay civil penalties totaling \$800,000 to settle charges that they violated premerger reporting requirements, the Department of Justice announced today.

The Department's Antitrust Division, at the request of the Federal Trade Commission, filed a civil lawsuit today in U.S. District Court in Washington, D.C., against ESL Partners L.P. and ZAM Holdings L.P. for violating the notification requirements of the Hart-Scott-Rodino (HSR) Act of 1976. At the same time, the Department filed a proposed settlement that, if approved by the court, will settle the charges. Under the terms of the settlement, ESL Partners has agreed to pay \$525,000, and ZAM Holdings \$275,000, in civil penalties.

ESL Partners, based in Greenwich, Conn., and ZAM Holdings, based in New York City, are investment funds with holdings in numerous companies. The investment decisions for both ESL Partners and ZAM Holdings were made by RBS Partners, of Greenwich.

According to the complaint, ESL Partners and ZAM Holdings failed to comply with the antitrust premerger notification requirements of the HSR Act before acquiring voting securities of AutoZone Inc., based in Memphis, Tenn., in September and October of 2004. As a result of these acquisitions, ESL Partners and ZAM Holdings each held AutoZone voting securities valued in excess of the \$50 million HSR reporting threshold then in effect. The complaint alleges that ESL Partners was in violation of the HSR Act from Sept. 28, 2004, through Feb. 28, 2005, and that ZAM Holdings was in violation from Oct. 12, 2004, through March 2, 2005.

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 before they consummate acquisitions resulting in holding stock or assets above a certain value. The violations occurred when the HSR reporting threshold was \$50 million. Since March 2005, the threshold has been adjusted annually to reflect changes in gross national product.

The Act permits a federal court, in a lawsuit brought by the Department, to assess a civil penalty of up to \$11,000 for each day a person or company is in violation.

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