UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, *Plaintiff*, v. REGAL CINEMAS, INC., and CONSOLIDATED THEATRES HOLDINGS, GP, *Defendants*.	Civil Action No: 1:08-cv-00746 Judge: Leon, Richard J. Filed:

PLAINTIFF'S MOTION AND MEMORANDUM FOR ENTRY OF FINAL JUDGMENT

Pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)-(h) ("APPA"), plaintiff United States of America ("United States") moves for entry of the proposed Final Judgment filed in this civil antitrust proceeding. The Final Judgment may be entered at this time without further hearing if the Court determines that entry is in the public interest. The Competitive Impact Statement, filed in this matter on April 30, 2008, explains why entry of the proposed Final Judgment would be in the public interest. The United States is filing simultaneously with this Motion and Memorandum a Certificate of Compliance setting forth the steps taken by the parties to comply with all applicable provisions of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)-(h) ("APPA") and certifying that the statutory waiting period has expired.

I. Background

On April 29, 2008, the United States and the plaintiff states filed a civil antitrust Complaint alleging that the acquisition of Consolidated Theatre Holdings, GP ("Consolidated") by Regal Cinemas, Inc. ("Regal") would substantially lessen competition in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18. The Complaint alleges that the acquisition, if permitted to proceed, would combine the two leading, and in some cases, only operators of first-run, commercial movie theatres in parts of the metropolitan areas of Charlotte, Raleigh, and Asheville, North Carolina. Accordingly, the Complaint seeks to prevent the anticompetitive effects of the acquisition by requesting, among other things: (1) a judgment that the acquisition, if consummated, would violate Section 7 of the Clayton Act and (2) relief that enjoins the parties from consummating the merger.

At the same time the Complaint was filed, a proposed Final Judgment, which is designed to eliminate the anticompetitive effects of the acquisition, Competitive Impact Statement, and Hold Separate Stipulation and Order ("Hold Separate Order") were also filed. Defendant Regal was allowed to consummate its acquisition of Consolidated but defendants were required within 120 days after the filing of the Complaint, or five days after notice of the entry of the Final Judgment by the Court, whichever is later, to divest, as viable business operations, certain theatres in the relevant markets ("Theatre Assets"). If defendants do not complete the divestitures within the prescribed time, then, under the terms of the proposed Final Judgment, this Court will appoint a trustee to sell the Theatre Assets. The Hold Separate and proposed Final Judgment require defendant Regal to preserve, maintain and continue to operate the Theatre Assets in the ordinary course of business, including reasonable efforts to maintain and

increase sales and revenues. The Competitive Impact Statement explains the basis for the Complaint and the reasons why entry of the proposed Final Judgment would be in the public interest.

Entry of the proposed Final Judgment would terminate this action, except that the Court would retain jurisdiction to construe, modify, or enforce the provisions of the proposed Final Judgment and to punish violations thereof.

II. Compliance with the APPA

The APPA requires a sixty-day period for the submission of public comments on the proposed Final Judgment. 15 U.S.C. § 16(b). In compliance with the APPA, the United States filed a Competitive Impact Statement ("CIS") on April 30, 2008. The United States published the proposed Final Judgment and the CIS in the Federal Register on May 15, 2008, and in *The Washington Post* during the period May 23-29, 2008. The comment period expired on July 28, 2008. The United States received two public comments. The United States filed with this Court the comments and its responses on September 24, 2008, and published the responses and the public comments in the Federal Register on October 21, 2008. The Certificate of Compliance filed simultaneously with this Motion recites that all the requirements of the APPA have now been satisfied. It is therefore appropriate for the Court to make the public interest determination required by 15 U.S.C. § 16(e) and to enter the Final Judgment.

III. Standard of Judicial Review

Before entering the proposed Final Judgment, the Court is to determine whether the Judgment "is in the public interest." 15 U.S.C. § 16(e). In making that determination, the Court may consider:

> 1) the competitive impact of such judgment, including termination of alleged violations, provisions for enforcement and modification, duration of relief sought, anticipated effects of alternative remedies actually considered, whether its terms are ambiguous, and any other competitive considerations bearing upon the adequacy of such judgment that the court deems necessary to a determination of whether the consent judgment is in the public interest; and
>
> 2) the impact of entry of such judgment upon competition in the relevant market or markets, upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

15 U.S.C. § 16(e).

In its Competitive Impact Statement previously filed with the Court on April 30, 2008, the United States explained the meaning and proper application of the public interest standard under the APPA and now incorporates those statements herein by reference. The public, including affected competitors and customers, has had the opportunity to comment on the proposed Final Judgment as required by law. There has been no showing that the proposed settlement constitutes an abuse of the United States' discretion or that it is not within the zone of settlements consistent with the public interest.

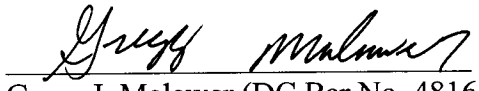
IV. Conclusion

For the reasons set forth in this Motion and Memorandum and in the Competitive Impact Statement, the Court should find that the proposed Final Judgment is in the public interest and should enter the proposed Final Judgment without further hearings.

The United States respectfully requests that the proposed Final Judgment be entered as soon as possible.

Dated: October 23, 2008

Respectfully submitted,



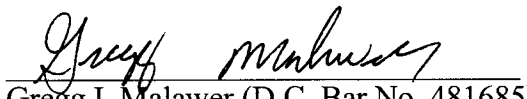
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CERTIFICATE OF SERVICE

I, Gregg I. Malawer, hereby certify that on October 23, 2008, I caused copies of the foregoing Certificate of Compliance with the Antitrust Procedures and Penalties Act to be served in this matter in the manner set forth below:

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