UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	
Plaintiff,	
v.	**Civil Action No.:**
WASTE MANAGEMENT, INC.	**Description: Antitrust**
and	**Date Stamp**
DEFFENBAUGH DISPOSAL, INC.,	
Defendants.	

HOLD SEPARATE STIPULATION AND ORDER

It is hereby stipulated and agreed by and between the undersigned parties, subject to approval and entry by the Court, that:

I.

DEFINITIONS

As used in this Hold Separate Stipulation and Order:

A. "Acquirer" or "Acquirers" means the entity or entities to whom Defendants divest the Divestiture Assets.

B. "WMI" means defendant Waste Management, Inc., a Delaware corporation with its headquarters in Houston, Texas, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents,

and employees.

C. "DDI" means defendant Deffenbaugh Disposal, Inc., a Delaware corporation with its headquarters in Kansas City, Kansas, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. "Disposal Agreement" means an agreement between WMI and the Acquirer(s) of the Springdale Arkansas Area Divestiture Assets allowing the Acquirer to dispose of MSW at WMI's Eco Vista Landfill located at 2210 Waste Management Drive, Springdale, Arkansas.

E. "Divestiture Assets" means the small container commercial waste collection routes and other assets listed below:

1. Springdale, Arkansas Area
    a. DDI's small container commercial waste collection routes B501, B502, B503, B504, and B505;
    b. At the election of the Acquirer, a lease of up to 10 years (length at the election of the Acquirer) to either WMI's small container commercial waste collection facility located at 1041 Arbor Acres Rd., Springdale Arkansas 72762, or to DDI's small container commercial waste collection facility located at 848 Highway 264 E, Bethel Heights, Arkansas 72764; and
    c. At the election of the Acquirer, a Disposal Agreement.
2. Van Buren/Fort Smith, Arkansas Area
    a. DDI's small container commercial waste collection routes V501 and V502; and

b. At the election of the Acquirer, the assignment or sublease of DDI's current lease at the small container commercial waste collection facility located at 2598 S. 4th St., Van Buren, Arkansas 72956.

3. Topeka, Kansas Area

a. DDI's small container commercial waste collection routes T501, T502, T503, and T504; and

b. At the election of the Acquirer, DDI's small container commercial waste collection facility located at 711 NE Highway 24, Topeka, Kansas 66608.

F. "MSW" means municipal solid waste, a term of art used to describe solid putrescible waste generated by households and commercial establishments. MSW does not include special handling waste (*e.g.*, waste from manufacturing processes, regulated medical waste, sewage and sludge), hazardous waste, or waste generated by construction or demolition sites.

G. "Route" means a group of customers receiving regularly scheduled small container commercial waste collection service and all tangible and intangible assets relating to the route, as of January 28, 2015 (except for *de minimis* changes, such as customers lost and gained in the ordinary course of business), including, but not limited to, capital equipment, trucks and other vehicles (those assigned to routes and a pro-rata share of spare vehicles); containers (at the customer location and a pro-rata share of spares); supplies (pro-rata share); customer lists, records, and credit records; customer and other contracts; leasehold interests; permits/licenses and accounts receivable. A list of the customers for each route, as of January 28, 2015, are on file with of the Department of Justice, Antitrust Division.

H. "Small container commercial waste collection" means the business of collecting MSW from commercial and industrial accounts, usually in metal bins (*i.e.*, a small container with one to ten cubic yards of storage capacity), and transporting or "hauling" such waste to a disposal site by use of a front- or rear-end loader truck.

II.

OBJECTIVES

The Final Judgment filed in this case is meant to ensure Defendants' prompt divestitures of the Divestiture Assets for the purpose of establishing one or more viable competitors in the small container commercial waste collection business in order to remedy the effects that the United States alleges would otherwise result from WMI's acquisition of DDI. This Hold Separate Stipulation and Order ensures, prior to such divestitures, that the Divestiture Assets remain independent, economically viable, and ongoing business concerns that will remain independent and uninfluenced by Defendants, and that competition is maintained during the pendency of the ordered divestitures.

III.

JURISDICTION AND VENUE

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the United States District Court for the District of Columbia.

IV.

COMPLIANCE WITH AND ENTRY OF FINAL JUDGMENT

A. The parties stipulate that a Final Judgment in the form attached hereto as Exhibit A may be filed with and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act ("APPA"),15 U.S.C. § 16, and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on Defendants and by filing that notice with the Court.

B. Defendants agree to arrange, at their expense, publication as quickly as possible of the newspaper notice required by the APPA, which shall be drafted by the United States in its sole discretion. The publication shall be arranged no later than three (3) business days after Defendants' receipt from the United States of the text of the notice and the identity of the newspaper within which the publication shall be made. Defendants shall promptly send to the United States (1) confirmation that publication of the newspaper notice has been arranged, and (2) the certification of the publication prepared by the newspaper within which the notice was published.

C. Defendants shall abide by and comply with the provisions of the proposed Final Judgment, pending the Judgment's entry by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of the signing of this Stipulation by the parties, comply with all the terms and provisions of the proposed Final Judgment. The United States shall have the full rights and enforcement powers

in the proposed Final Judgment, including Section X, as though the same were in full force and effect as the Final order of the Court.

D. Defendants shall not consummate the transaction sought to be enjoined by the Complaint herein before the Court has signed this Hold Separate Stipulation and Order.

E. This Hold Separate Stipulation and Order shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

F. In the event (1) the United States has withdrawn its consent, as provided in Section IV(A) above, or (2) the proposed Final Judgment is not entered pursuant to this Stipulation, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Hold Separate Stipulation and Order, and the making of this Hold Separate Stipulation and Order shall be without prejudice to any party in this or any other proceeding.

G. Defendants represent that the divestitures ordered in the proposed Final Judgment can and will be made, and that Defendants will later raise no claim of mistake, hardship or difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

V.

HOLD SEPARATE PROVISIONS

Until the divestitures required by the Final Judgment have been accomplished:

A. Defendants shall preserve, maintain, and continue to operate the Divestiture Assets as independent, ongoing, economically viable competitive businesses, with management, sales and operations of such assets held entirely separate, distinct and apart from those of Defendants' other operations. Defendants shall not coordinate the operation, marketing, or terms of sale of any services with those services sold under any of the Divestiture Assets. Within twenty (20) days after the entry of the Hold Separate Stipulation and Order, Defendants will inform the United States of the steps Defendants have taken to comply with this Hold Separate Stipulation and Order.

B. Defendants shall take all steps necessary to ensure that (1) the Divestiture Assets will be maintained and operated as independent, ongoing, economically viable and active competitors in the small container commercial waste collection business; (2) the value and goodwill of the Divestiture Assets and existing relationships with each customer of, supplier to, and others doing business with the Divesture Assets is preserved and maintained; (3) management of the Divestiture Assets will not be influenced by Defendants; and (4) the books, records, competitively sensitive sales, marketing and pricing information, and decision-making concerning operation or sales of services by or under any of the Divestiture Assets will be kept separate and apart from Defendants' other operations.

C. Defendants shall use all reasonable efforts to maintain and increase the sales and revenues of the services sold under Divestiture Assets, and shall maintain at 2015 or previously

approved levels for 2016, whichever are higher, all promotional, advertising, sales, technical assistance, marketing and support for the Divestiture Assets.

D. Defendants shall provide sufficient working capital and lines and sources of credit to continue to maintain the Divestiture Assets as economically viable and competitive, ongoing businesses, consistent with the requirements of Sections V(A) and (B).

E. Defendants shall take all steps necessary to ensure that the Divestiture Assets are fully maintained in operable condition at no less than their current capacity and sales, and shall maintain and adhere to normal repair and maintenance schedules for the Divestiture Assets.

F. Defendants shall not, except as part of a divestiture approved by the United States in accordance with the terms of the proposed Final Judgment, remove, sell, lease, assign, transfer, pledge or otherwise dispose of any of the Divestiture Assets.

G. Defendants shall maintain, in accordance with sound accounting principles, separate, accurate and complete financial ledgers, books and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues and income of the Divestiture Assets.

H. Defendants shall take no action that would jeopardize, delay, or impede the sale of the Divestiture Assets.

I. Defendants' employees with primary responsibility for the operation of the Divestiture Assets shall not be transferred or reassigned to other areas within the company except for transfer bids initiated by employees pursuant to Defendants' regular, established job posting policy. Defendants shall provide the United States with ten (10) calendar days notice of such transfer.

J. Subject to the approval of the United States, Defendants shall appoint a person or persons to oversee the Divestiture Assets, and who will be responsible for Defendants' compliance with this section. This person shall have complete managerial responsibility for the Divestiture Assets, subject to the provisions of this Final Judgment. In the event such person is unable to perform his duties, Defendants shall appoint, subject to the approval of the United States, a replacement within ten (10) working days. Should Defendants fail to appoint a replacement acceptable to the United States within this time period, the United States shall appoint a replacement.

K. Defendants shall take no action that would interfere with the ability of any divestiture trustee appointed pursuant to the Final Judgment to complete the divestitures pursuant to the Final Judgment to an Acquirer or Acquirers acceptable to the United States.

VI.

DURATION OF HOLD SEPARATE AND
ASSET PRESERVATION OBLIGATIONS

Defendants' obligations under Section V of this Hold Separate Stipulation and Order shall remain in effect until (1) consummation of the divestitures required by the proposed Final Judgment or (2) until further order of the Court. If the United States voluntarily dismisses the Complaint in this matter, Defendants are released from all further obligations under this Hold Separate Stipulation and Order.

Dated: March 13, 2015

Respectfully submitted,

FOR PLAINTIFF
UNITED STATES OF AMERICA

/s/

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O R D E R

IT IS SO ORDERED by the Court, this ____ day of March, 2015.

_____
United States District Judge