

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,) Civil Action No. 79C 3550
)
 v.) Entered: December 17, 1979
)
 BENEFICIAL CORPORATION;)
 HLG INC;)
 BEATRICE FOODS CO.; and)
 SOUTHWESTERN INVESTMENT CO.,)
)
 Defendants.)

FINAL JUDGMENT

Plaintiff, United States of America, having filed its complaint herein on August 29, 1979, and the plaintiff and the defendants, Beneficial Corporation, HLG Inc., Beatrice Foods Co., and Southwestern Investment Co., by their respective attorneys, having consented to the making and entry of this Final Judgment, without trial or adjudication of any issue of fact or law herein and without this Final Judgment constituting any evidence against or admission by any party with respect to any such issue;

NOW, THEREFORE, before any testimony has been taken and without trial or adjudication of any issue of fact or law herein and upon consent of the parties hereto, it is hereby,

ORDERED, ADJUDGED, AND DECREED as follows:

I.

This Court has jurisdiction of the subject matter of this action and of each of the parties consenting hereto. The

complaint states a claim upon which relief may be granted against the defendants under Section 7 of the Clayton Act, 15 U.S.C. § 18.

II.

As used in this Final Judgment:

(A) "Beneficial" shall mean Beneficial Corporation and HLG Inc.

(B) "Southwestern" shall mean Southwestern Investment Co., a subsidiary of Beatrice Foods Co.

(C) "Office" shall mean, with respect to each of the Southwestern offices listed in Appendix A, all receivables and customer lists, and, at the option of the buyer, leases, leasehold improvements, furniture, fixtures, office equipment, supplies and other material located or used in such office.

(D) "Receivables" shall mean all indebtedness and promises to pay for direct cash loans to individual customers, and, if the buyer of an office elects, "receivables" shall also include all installment notes purchased from dealers arising from the retail or wholesale sale of goods or from the rendering of services, in each case with all documents, information, and collateral related thereto. The term "receivables" shall not include notes secured by first mortgages on real estate, contracts for the leasing of equipment, or contracts of insurance.

(E) "Customer Lists" shall mean all lists of present and potential customers for direct cash loans, but shall not include the identity of potential customers generated from the purchase

18. of installment notes from dealers arising out of the retail or wholesale sale of goods or from the rendering of services, unless the buyer of an office elects to purchase such receivables.

III.

(A) This Final Judgment applies to the defendants and to their officers, directors, agents, employees, subsidiaries, successors and assigns, and to all other persons in active concert or participation with any of them who shall have received actual notice of this Final Judgment by personal service or otherwise.

(B) Beneficial shall require, as a condition of the sale or other disposition of all, or substantially all, of its finance company business, that the acquiring party agree to be bound by the provisions of this Final Judgment and that such agreement be filed with the Court and be served upon the plaintiff.

IV.

Beneficial is ordered and directed to divest itself of each Southwestern office listed in Appendix A of this Final Judgment.

(A) Beneficial shall enter into a contract for the sale of each such office within six months from the date of entry of this Final Judgment.

(B) Beneficial shall consummate the sale of each such office within one year from the date it enters into the contract for sale required by paragraph (A).

(C) Beneficial shall not reacquire any of the offices sold pursuant to this Final Judgment; except, that Beneficial may

acquire and enforce any bona fide security interest on any or all of the offices divested given to secure payment of any unpaid portion of the purchase price or performance of any term of the contracts required by paragraph (A) of this Section IV. If Beneficial reacquires any office pursuant to this paragraph (C) it shall promptly notify the plaintiff. Any office so reacquired shall be divested within one year of such reacquisition in accordance with the provisions of this Final Judgment.

V.

(A) Beneficial shall promptly submit to plaintiff a copy of each contract required by paragraph (A) of Section IV.

(B) Following the receipt of such contract, plaintiff shall have 30 days within which to object to the proposed sale by written notice to Beneficial, unless within 10 days plaintiff requests additional information regarding the proposed sale, in which case plaintiff shall have 30 days following the receipt of the information requested to object. If plaintiff does not object to the proposed sale, it may be consummated. If plaintiff does object, the proposed sale shall not be consummated until Beneficial obtains the Court's approval of the sale or until plaintiff withdraws its objection.

(C) If plaintiff objects to the proposed sale of any office listed in Appendix A, Beneficial shall have six months from the date of the objection, or, if the Court sustains the objection, from the date of the Court's ruling, within which to enter into another contract of sale with a different purchaser.

VI.

(A) If at the end of six months from the date of entry of this Final Judgment the contract of sale required by paragraph (A) of Section IV has not been entered into by Beneficial for any office, this Court shall upon application of the plaintiff appoint a trustee for the purpose of selling that office in accordance with the provisions of this Final Judgment.

(B) If any contract of sale required by paragraph (A) of Section IV has not been consummated within one year from the date it was entered into, this Court shall upon application of the plaintiff appoint a trustee for the purpose of selling the office or offices subject to that contract in accordance with the provisions of this Final Judgment.

(C) The trustee shall have full power and authority to dispose of any office, at whatever price and terms obtainable, subject to the approval of this Court. The trustee shall serve at the cost and expense of Beneficial, on such terms and conditions as this Court may set, and shall account for all monies derived from the disposal of the offices and all expenses so incurred. After approval by this Court of the trustee's account, including fees for his services, all remaining monies shall be paid to Beneficial, and the trust shall be terminated. Each sale by the trustee shall be in accordance with the provisions of this Final Judgment.

VII.

(A) Beneficial is ordered and directed to maintain the Southwestern offices listed in Appendix A as separate, going businesses and to continue normal business operations under the "Southwestern" name pending their sale. Beneficial shall provide such financial, business, promotion and management assistance necessary to maintain such offices as separate, going businesses.

(B) Beneficial is enjoined from knowingly taking any action which would reduce the amount of receivables in any office listed in Appendix A outstanding on the date this Final Judgment is submitted to the Court except that nothing in this paragraph shall prevent Beneficial from continuing normal operations at any of its other consumer finance offices. Beneficial is enjoined from hiring any office manager or other employee of any of the Southwestern offices listed in Appendix A for a period of six months from the sale of that office.

(C) Beneficial is ordered and directed to provide to plaintiff within 15 days from the date this Final Judgment is entered a tabulation showing the amount of receivables outstanding at each office listed in Appendix A on the last business day of the preceding month. Beneficial is further ordered and directed to provide to plaintiff a tabulation showing the amount of receivables outstanding at each office listed in Appendix A on the last business day of each month after this Final Judgment is entered until the sale of the office is accomplished. Beneficial shall provide such tabulation to plaintiff within 15 days from the date for which the tabulation is made.

VIII.

Beneficial is ordered and directed to compile a record, to be provided to the plaintiff starting five days after entry of this Final Judgment and every sixty days thereafter until the sales required by Section IV are accomplished, of its efforts to sell each office listed in Appendix A, including identification of any person or persons to whom the office is or has been offered, the terms and conditions of each offer to sell, the identification of any person or persons expressing interest in acquiring each office, and the terms and conditions of each offer to purchase.

IX.

For the purpose of determining or securing compliance with this Final Judgment, and subject to any legally recognized privilege, from time to time:

(A) Duly authorized representatives of the Department of Justice shall, upon written request of the Attorney General or of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to a defendant made to its principal office, be permitted:

(1) Access during office hours of such defendant to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of such defendant, who may have counsel present, relating to any matters contained in this Final Judgment; and

(2) Subject to the reasonable convenience of such defendant and without restraint or interference from it, to interview officers, employees and agents of such defendant, who may have counsel present, regarding any such matter.

(B) Upon the written request of the Attorney General or of the Assistant Attorney General in charge of the Antitrust Division made to a defendant's principal office, such defendant shall submit such written reports, under oath if requested, with respect to any of the matters contained in this Final Judgment as may be requested.

No information or documents obtained by the means provided in Sections VIII and IX shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Executive Branch of the United States, except in the course of legal proceedings to which the United States is a party, or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

(C) If at the time information or documents are furnished by a defendant to plaintiff, such defendant represents and identifies in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and said defendant marks each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure", then 10 days notice shall be given by plaintiff to such defendant prior to divulging such material in any legal proceeding (other than a grand jury proceeding) to which that defendant is not a party.

X.

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders or directions as may be necessary or appropriate for the construction or carrying out of this Final Judgment, for the modification of any of the provisions hereof, for the enforcement of compliance herewith, and for the punishment of any violation hereof.

XI.

Entry of this Final Judgment is in the public interest.

Dated:

12/17/29


UNITED STATES DISTRICT JUDGE

APPENDIX A

OFFICES OF SOUTHWESTERN INVESTMENT COMPANY

Kansas

Leavenworth
331 Delaware, 66048

Junction City
111 West 7th St., 66441

New Mexico

Albuquerque
4711 Lomas Blvd. NE, 87103

Alamogordo
702 Tenth Street, 88310

Artesia
212 South 4th, 88210

Carlsbad
213 North Canyon, 88220

Clovis
800 Mitchell, 88101

Farmington
634 W. Main Street, 87401

Farmington
3030 E. Main St., A-4, 87401

Hobbs
324 North Turner, 88240

Lovington
819 South Main, 88260

Oklahoma

Bartlesville
1200 SE Frank Phillips

South Dakota

Brookings
1453 6th Street, 57006

Huron
1835 Dakota Ave. S.

South Dakota

Madison
122 West Center St., 57042

Rapid City
520 6th Street, 57701

Sioux Falls
2808 West 41st St., 57101

Texas

Amarillo
905 Taylor, 79105

Amarillo
832 Martin Rd., 79107

Borger
924 N. Main Street, 79007

Corpus Christi
4518 Autotown Drive, 78412

Houston
1116 N. Shepherd, 77009

Kingsville
429 East Kleberg, 78363

Midland
1101 N. Midkiff St., 79701

San Antonio
1010 SW Military Drive, 78221

San Antonio
225 East Elmira, 78293