

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

FILED IN CLERK'S OFFICE
U.S.D.C. Atlanta

MAR 08 1991

By: *[Signature]* THOMAS Clerk
Deputy Clerk

UNITED STATES OF AMERICA,

Plaintiff,

v.

COX ENTERPRISES, INC.,

Defendant.

Civil Action No.

Filed:

1:91-CV-505-HTW

COMPLAINT FOR CIVIL PENALTIES FOR VIOLATION OF PREMERGER
REPORTING REQUIREMENTS OF HART-SCOTT-RODINO ACT

The United States of America, plaintiff, by its attorneys acting under the direction of the Attorney General of the United States, brings this civil action to obtain monetary relief in the form of a civil penalty against the defendant named herein, and alleges as follows:

I.

JURISDICTION AND VENUE

1. This complaint is filed and these proceedings are instituted under Section 7A of the Clayton Act, 15 U.S.C. § 18a, commonly known as the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Hart-Scott-Rodino Act"), to recover a civil penalty for violation of that Act.

2. This Court has jurisdiction over the defendant and over the subject matter of this action pursuant to 15 U.S.C. § 18a(g) and 28 U.S.C. §§ 1331, 1337, 1345, and 1355.

3. Venue in this District is proper under 15 U.S.C. § 22 and 28 U.S.C. §§ 1391(b), (c), and 1395(a).

II.

THE DEFENDANT

4. Cox Enterprises, Inc. ("Cox") is made the defendant herein. Cox is a Delaware corporation with its principal place of business at 1400 Lake Hearn Drive, Atlanta, Georgia. Cox, directly or through subsidiaries, publishes daily and weekly newspapers and operates broadcast television and radio stations and cable television facilities, and conducts other business operations, at various locations in the United States.

III.

KNIGHT-RIDDER, INC.

5. Knight-Ridder, Inc. ("KRI") is a Florida corporation with its principal place of business at One Herald Plaza, Miami, Florida. KRI, directly or through subsidiaries, publishes daily and weekly newspapers, operates broadcast television and radio stations and cable television facilities, and conducts other business operations, at various locations in the United States.

IV.

VIOLATION

6. The Hart-Scott-Rodino Act, 15 U.S.C. § 18a, prohibits certain acquisitions of voting securities or assets until a notification has been filed with the Department of Justice and the Federal Trade Commission, and a waiting period has

expired. The acquisitions subject to this requirement include certain acquisitions of voting securities or assets whereby the acquiring person would hold an aggregate total amount of the voting securities and assets of the acquired person in excess of \$15 million.

7. On January 23 and 24, 1986, the defendant acquired approximately 339,100 shares of KRI common stock. The aggregate total amount of KRI voting securities held by defendant after making those purchases was less than \$15 million.

8. On January 27, 1986, the defendant acquired approximately 146,800 additional shares of KRI common stock. As a result of that acquisition, the defendant held an aggregate total amount of KRI voting securities in excess of \$15 million.

9. The defendant continued to acquire additional KRI common stock during the period from January 28, 1986, through November 20, 1986, thereby acquiring a total of approximately 2,255,500 shares of KRI common stock for an aggregate purchase price of approximately \$101 million.

10. On January 16, 1987, the defendant began to sell the voting securities of KRI that it had acquired in the transactions described in paragraphs 7, 8, and 9. On January 28, 1987, the defendant sold the last of its KRI common

stock, approximately 630,100 shares, for approximately \$31,784,313 million, thereby reducing the aggregate total amount of its holding of KRI voting securities and assets below the \$15 million notification threshold of the Hart-Scott-Rodino Act for the first time since January 27, 1986.

11. The defendant and KRI at all times during the period beginning on January 23, 1986, and ending on January 28, 1987, have been engaged in commerce, or in activities affecting commerce, within the meaning of Section (a)(1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(a)(1), and Section 1 of the Clayton Act, 15 U.S.C. § 12.

12. The defendant and KRI at all times during the period beginning on January 23, 1986, and ending on January 28, 1987, had assets above the thresholds established by Section (a)(2) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(a)(2). KRI had total assets in excess of \$10 million, and the defendant had total assets in excess of \$100 million.

13. The acquisitions described in paragraphs 8 and 9 were subject to the notification and waiting period requirements of Section (a) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(a), and the regulations promulgated thereunder, 16 C.F.R. § 800 et seq.

14. The defendant did not comply with the notification and waiting period requirements described in paragraph 13 before making the acquisitions described in paragraphs 8 and 9.

15. The defendant was continuously in violation of Section (a) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(a) during the period from January 27, 1986, through January 28, 1987.

16. Section (g)(1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(g)(1), provides that any person who fails to comply with any provision of the Act shall be liable to the United States for a civil penalty of not more than \$10,000 for each day during which such person is in violation of the Act.

V.

RELIEF

WHEREFORE, plaintiff prays:

1. That the Court adjudge and decree that the defendant's purchases of KRI voting securities during the period from January 27, 1986, through November 20, 1986, were made in violation of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a, and that the defendant was in violation of that Act each day of the period from January 27, 1986, through January 28, 1987;
2. That the defendant be ordered to pay to the United States the maximum civil penalty as provided by Section (g)(1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(g)(1);
3. That the plaintiff have such further relief as the Court in its discretion determines necessary or appropriate; and

4. That the Court award the plaintiff its costs of this suit.

Dated: March 8, 1991.

FOR PLAINTIFF
UNITED STATES OF AMERICA


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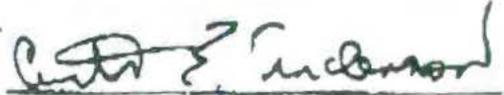

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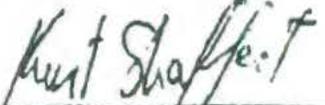
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