

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA  
FOURTH DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	Civil Action
	)	
v.	)	No. 4-78-357
	)	
BRITISH COLUMBIA FOREST	)	Filed: December 13, 1982
PRODUCTS LIMITED and THE MEAD	)	
CORPORATION,	)	
	)	Entered: March 14, 1983
Defendants.	)	

STIPULATION

It is stipulated by and between the undersigned parties,  
by their respective attorneys, that:

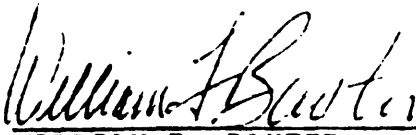
1. The parties consent that a Final Judgment in the form hereto attached may be filed and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), and without further notice to any party or other proceedings, provided that plaintiff has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on defendants and by filing that notice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

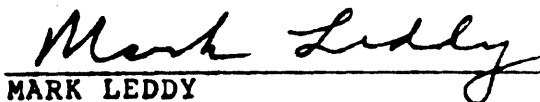
2. In the event plaintiff withdraws its consent or if the proposed Final Judgment is not entered pursuant to this Stipulation, this Stipulation shall be of no effect whatever

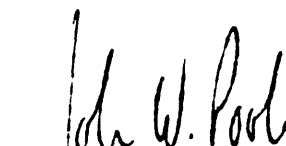
and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

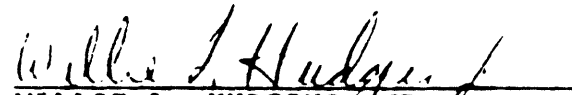
Dated:

For the Plaintiff:

  
WILLIAM F. BAXTER  
Assistant Attorney General

  
MARK LEDDY

  
JOHN W. POOLE  
Attorneys, Antitrust Division  
U.S. Department of Justice

  
WILLIE L. HUDGINS, JR.  
Attorney, Antitrust Division  
U.S. Department of Justice  
Washington, D. C. 20530  
Telephone: (202) 633-2574

For the Defendants:

John D. French  
JOHN D. FRENCH  
JOHN F. BEUKEMA  
Faegre & Benson  
1300 Northwestern Bank Building  
Minneapolis, Minnesota 55402  
Telephone: (612) 371-5300  
Attorney for Defendant British  
Columbia Forest Products Limited

Matthew J. Levitt  
MATTHEW J. LEVITT  
Levitt, Palmer, Bowen,  
Bearmon & Rotman  
500 Roanoke Building  
Minneapolis, Minnesota 55402  
Telephone: (612) 339-0661  
Attorney for Defendant  
The Mead Corporation

~~Terrence C. Sheehy~~  
TERRENCE C. SHEEHY  
PETER E. MOLL  
Howrey & Simon  
1730 Pennsylvania Avenue, N.W.  
Washington, D. C. 20006  
Telephone: (202) 783-0800  
Attorney for Defendant  
The Mead Corporation

STIPULATION APPROVED FOR FILING  
DATED:

UNITED STATES DISTRICT JUDGE

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DISTRICT OF MINNESOTA  
FOURTH DIVISION

UNITED STATES OF AMERICA,	)	
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Defendants.	)	

FINAL JUDGMENT

Plaintiff United States of America having filed its complaint herein on August 17, 1978, and defendants The Mead Corporation ("Mead") and British Columbia Forest Products Limited ("BCFP") having answered the complaint and denied the allegations thereof, and plaintiff and defendants, by their respective attorneys, having consented to the entry of this Final Judgment, and without this Final Judgment constituting any evidence against, or any admission by, any party with respect to any issue of fact or law herein:

Now, therefore, before the taking of any testimony, 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 over the subject matter herein and over the parties hereto. The complaint states a claim upon which relief may be granted under Section 7 of the Clayton Act (15 U.S.C. § 18).

II.

As used in this Final Judgment:

(A) The term "Mead" shall mean the Mead Corporation, its subsidiaries and divisions, including, but not limited to, Brunswick Pulp and Paper Company and Northwood Pulp and

Timber Limited. The term "Mead" shall also mean its officers, directors, agents, employees, and all other persons acting on behalf of Mead, Brunswick Pulp and Paper Company, Northwood Pulp and Timber Limited, or any of Mead's subsidiaries or divisions.

(B) The term "BCFP" shall mean British Columbia Forest Products Limited, its subsidiaries and divisions, excluding Blandin Paper Company; and also includes its officers, directors, agents, employees, and all other persons acting on behalf of BCFP or any of its subsidiaries or divisions, excluding Blandin Paper Company.

(C) The term "Blandin" shall mean Blandin Paper Company, its successors, subsidiaries and divisions, which prior to August 31, 1977 were owned by the C. K. Blandin Trust, and since that date have been operated as a subsidiary of BCFP; and also includes its officers, directors, agents, employees, and all other persons acting on behalf of Blandin or any of its subsidiaries or divisions.

(D) The term "person" shall mean any individual, corporation, partnership, joint venture, firm, association, proprietorship, agency, board, authority, commission, or other such business or legal entity.

(E) "Coated groundwood paper" shall mean a type of printing paper which contains more than ten percent (10%) groundwood fiber in the base stock and is coated to improve its appearance and printing surface.

(F) "Competitively sensitive information" shall mean information on current or future production, current or future capacity, manufacturing processes, or the marketing or sales of coated groundwood paper which is not otherwise generally available to firms in the coated groundwood paper industry.

### III.

This Final Judgment applies to 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.

IV.

Mead shall notify plaintiff by registered mail received by the Assistant Attorney General, Antitrust Division, United States Department of Justice, Washington, D. C., 20530 ten (10) days prior to acquiring, directly or indirectly, securities of BCFP or the voting rights to such securities (except shares received through a stock split, stock dividend or other proportional stock distribution) in addition to the 7,130,716 common shares it owns at this date directly and the 6,203,881 common shares it owns at this date indirectly through its 50% interest in Brunswick Pulp and Paper Company.

V.

Mead shall not designate more than three nominees for election to membership on BCFP's board of directors and no more than two of the nominees so designated shall be officers or employees of Mead; provided that, in the event of a change in the total number of directors on BCFP's Board, the number of nominees which Mead may designate under this Final Judgment shall be changed, first to a proportionate decimal number and then rounded down to the next smaller integer. Effective no later than April 30, 1983, no member of BCFP's board of directors shall be a director of Mead.

VI.

(A) Blandin shall be maintained as a separate and distinct corporate entity, with its own board of directors and management.

(B) The officers, directors, employees, and representatives of Mead are enjoined from serving as officers,

directors or employees of Blandin.

(C) Mead is enjoined from designating or otherwise participating in any way in the selection of officers, directors, employees or consultants of Blandin.

(D) Mead is enjoined from attending, voting or otherwise participating at any portion of any BCFP board meeting which deals with any matter relating, directly or indirectly, to Blandin's production, manufacture, capacity, marketing or sale of coated groundwood paper.

(E) Mead is enjoined from entering into or maintaining, any agreement or understanding with any other BCFP shareholder relating to the voting of BCFP securities, except for (1) the agreement relating to the voting of BCFP shares owned by Brunswick Pulp and Paper Company; and (2) the agreement among BCFP, Mead, Scott Paper Company, Alberta Energy Company Limited, Brunswick Pulp & Paper Company, and 233622 B.C. Ltd., dated June 18, 1981 (the so-called "Standstill Agreement") and any renewal without material modification of said "Standstill Agreement."

(F) Mead is enjoined from exercising or attempting to exercise, in any way, directly or indirectly, any control, supervision or influence over any policy, decision or action regarding any aspect of Blandin's production, capacity, marketing or sale of coated groundwood paper, including, but not limited to, the selection of personnel.

(G) Mead is enjoined from taking any action to obtain or attempt to obtain, directly or indirectly, from BCFP or Blandin any competitively sensitive information concerning Blandin, except that BCFP may provide information that is necessary for Mead to comply with the laws and regulations of the United States or Canada or any of their political subdivisions or agencies, requirements of any stock exchange, or the rules and regulations of the Canadian Institute of Chartered Accountants, the Financial Accounting Standards Board of the United States, or similar bodies to

satisfy equity or other applicable accounting requirements.

(H) BCFP and Blandin are enjoined from providing to Mead any competitively sensitive information concerning Blandin, except that BCFP may provide information that is necessary for BCFP or Mead to comply with the laws and regulations of Canada or the United States or any of their political subdivisions or agencies, requirements of any stock exchange, or the rules and regulations of the Canadian Institute of Chartered Accountants, the Financial Accounting Standards Board of the United States, or similar bodies to satisfy equity or other applicable accounting requirements.

(I) Any information concerning Blandin provided to Mead pursuant to the above paragraphs (G) and (H), shall be provided only in writing and Mead and BCFP shall retain copies of all such information for a period of ten (10) years from date of entry of this Final Judgment. At the end of each twelve (12) month period from the date of entry of this Final Judgment until its termination, Mead and BCFP shall provide copies to the Department of Justice of all information provided pursuant to paragraphs (G) and (H).

#### VII.

(A) Within sixty (60) days after the date of entry of this Final Judgment, BCFP, Blandin and Mead shall each furnish a conformed copy to: 1) each of their respective officers and directors; and 2) each employee and managing agent having supervisory responsibility for or authority over the manufacture or sale of coated groundwood paper, and shall advise and inform each such person that violation of this Final Judgment could result in a conviction for contempt of court and imprisonment and/or fine.

(B) Within thirty (30) days after each such person becomes an officer, director, employee or managing agent as described in paragraph (A) above, BCFP, Blandin or Mead as the case may be shall furnish to such person a copy of this

Final Judgment together with the advice specified by said paragraph (A).

(C) Within sixty (60) days after the date of entry of this Final Judgment, Mead, BCFP and Blandin shall each advise each of its respective officers, directors, employees or managing agents described in paragraph (A) above of its and their obligation under this Final Judgment and shall maintain a program to insure compliance with this Final Judgment, which program shall include at a minimum the following with respect to the persons described above:

- (1) The annual distribution to them of this Final Judgment or a summary thereof;
- (2) The annual submission to them of a written directive setting forth Mead, BCFP, or Blandin's respective policy regarding compliance with this Final Judgment; and
- (3) The holding of one or more meetings with them to review the terms of this Final Judgment and the obligations it imposes.

(D) Commencing with the date of entry of this Final Judgment, Mead and BCFP each shall file with the plaintiff, and under seal with the Court, an annual sworn statement by a responsible official designated by each of them to perform such duties setting forth all steps it has taken during the preceding twelve (12) months to discharge its obligations under this Section VII and that to the best of the official's knowledge and belief Mead (as to the certification by the Mead official) and BCFP and Blandin (as to the certification by the BCFP official) are in compliance with this Final Judgment. This statement shall be accompanied by copies of all written directives issued by each of them during the prior twelve (12) months with respect to compliance with this Final Judgment.



VIII.

(A) For the purpose of determining or securing compliance with this Final Judgment, and subject to any legally recognized privilege, duly authorized representatives of the Department of Justice, upon written request of the Attorney General or of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to defendants made to their principal offices, shall be permitted:

- (1) access during office hours of defendants, which may have counsel present, to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of defendants, relating to any matters contained in this Final Judgment; and
- (2) subject to the reasonable convenience of defendants, and without restraint or interference from them, to interview the officers, directors, employees, and agents of defendants, who may have counsel present, regarding any matters contained in this Final Judgment.

(B) Defendants, upon the written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, 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.

(C) No information or documents obtained by the means provided in this Section VIII 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 Government, 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.

(D) 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 such 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 that defendant prior to divulging such material in any legal proceeding (other than a Grand Jury proceeding) to which such defendant is not a party.

#### IX.

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, implementation, or modification of all of the provisions hereof, for the enforcement of compliance herewith, and for the punishment of violations hereof.

#### X.

This Final Judgment shall expire ten (10) years after the date of its entry. If BCFP should sell or otherwise dispose of all its interests in Blandin during said ten (10) year period, the defendants shall not be bound by Sections IV through VII of this Final Judgment immediately upon such sale or disposition; provided however, that if defendants have been so relieved of these obligations under this Final Judgment before the end of ten (10) years by operation of the preceding clause, and if BCFP thereafter (within such ten (10) year period) reacquires any interest in Blandin, all of the provisions of this Final Judgment shall again be applicable and shall apply for the remaining period until

ten (10) years after the date of entry of this Final Judgment. Further, if Mead should sell or otherwise dispose of all of its interests in BCFP during said ten (10) year period, the defendants shall not be bound by Sections V through VII of this Final Judgment immediately upon such sale or disposition; provided however, that if defendants have been so relieved of these obligations under this Final Judgment before the end of ten (10) years by operation of the preceding clause, and if Mead thereafter (within such ten (10) year period) reacquires any interest in BCFP and if BCFP has an ownership interest in Blandin, all of the provisions of this Final Judgment shall again be applicable and shall apply for the remaining period until ten (10) years after the date of entry of this Final Judgment. Notwithstanding the above, and except for Mead's ownership interest in BCFP, at no time during the period ten (10) years after the date of entry of this Final Judgment shall Mead own or acquire, directly or indirectly, any securities, or the voting rights of such securities, of Blandin, nor shall Mead own or acquire, directly or indirectly, all or substantially all of the assets of Blandin. Nothing in this Final Judgment shall affect the obligations of any party under 15 U.S.C. § 18a.

#### XI.

The making and entry of this Final Judgment shall not constitute any bar or estoppel against any subsequent suit or proceeding which may be instituted by the plaintiff herein arising out of any further acquisition by Mead, directly or indirectly, of any additional securities or the voting rights of any additional voting securities of BCFP other than the BCFP securities owned by Mead as of December 7, 1982, except shares received through a stock split, stock dividend, or other proportional stock distribution.

XII.

Entry of this Final Judgment is in the public interest.

Date: March 14, 1983

/s/ Judge Miles W. Lord  
UNITED STATES DISTRICT JUDGE