

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,
Plaintiff,

v.

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS, INC.,
Defendant.

Civil No. 1091-72

Filed: June 1, 1972

Entered: July 6, 1972

FINAL JUDGMENT

Plaintiff, the United States of America, having filed its complaint herein on June 1, 1972, the defendant having filed its answer and plaintiff and defendant, by their respective attorneys, having each consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law herein and without this Final Judgment constituting evidence or 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 the 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 the parties hereto. The complaint states a claim upon which relief may be granted against the defendant under Section 1 of the Act of Congress of July 2, 1890, as amended (15 U.S.C. § 1), commonly known as the Sherman Act.

II

The provisions of this Final Judgment shall apply to the defendant, to the defendant's officers, directors,

agents, employees, successors and assigns, and to all other persons in active concert or participation with any of them who receive notice of this Final Judgment by personal service or otherwise.

III

The defendant is enjoined and restrained from adopting any plan, program or course of action which prohibits members of the defendant from submitting price quotations for accounting services to any person seeking accounting services.

IV

Rule 3.03 of the Code of Professional Ethics of the defendant which provides: "A member or associate shall not make a competitive bid for a professional engagement. Competitive bidding for public accounting services is not in the public interest, is a form of solicitation, and is unprofessional." is hereby declared null and void, and the defendant is ordered and directed, within 60 days from the entry of this Final Judgment, to delete the foregoing provision from its Code of Professional Ethics, and also to delete from its Code of Professional Ethics, rules, bylaws, resolutions, and any other policy statements any other provision which prohibits or limits the submission of price quotations for accounting services by members of the defendant to any person seeking accounting services or which states or implies that such submission of price quotations for accounting services is unethical, unprofessional, or contrary to any policy of the defendant.

V

The defendant is enjoined and restrained from adopting or disseminating, in any of its publications or otherwise, any Code of Ethics, rule, bylaw, resolution or policy statement which prohibits or limits the submission of price

quotations for accounting services by members of the defendant to persons seeking accounting services or which states or implies that such submission of price quotations for accounting services is unethical, unprofessional, or contrary to any policy of the defendant.

VI

The defendant is ordered and directed, within 60 days from the entry of this Final Judgment, to send a copy of this Final Judgment to each state society and each State Board of Accountancy in the United States and territories thereof, and to cause the publication of this Final Judgment in The CPA and send a copy thereof to each member of the defendant. The defendant is further ordered and directed, for a period of five years following the date of entry of this decree, to send a copy of this Final Judgment to each new member and to state in any publication of its Code of Ethics that the submission of price quotations for accounting services to persons seeking such services is not considered an unethical practice. The text of such statement shall be first approved by plaintiff, or, failing such approval, by the Court.

VII

Defendant is ordered to file with the Plaintiff on the anniversary date of the entry of this Final Judgment for a period of five years, a report setting forth the steps it has taken during the prior year to comply with the provisions of this Final Judgment.

VIII

For the purpose of securing compliance with this Final Judgment, and for no other purpose, duly authorized representatives of the Department of Justice shall upon written

request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division upon reasonable notice to defendant made to its principal office be permitted, subject to any legally recognized privilege:

- (A) access during the office hours of said defendant to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or control of defendant relating to any of the matters contained in this Final Judgment; and
- (B) subject to the reasonable convenience of defendant and without restraint or interference from it, to interview the officers and employees of defendant who may have counsel present, regarding any such matters.

For the purpose of securing compliance with this Final Judgment, defendant upon the written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, shall submit such written reports relating to any of the matters contained in this Final Judgment as may from time to time be requested. No information obtained by the means provided in this Section 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 plaintiff except in the course of legal proceedings to which the United States is a party for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

IX

Jurisdiction is retained 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 and directions as may be necessary or appropriate for the construction or carrying out of this Final Judgment, or the modification or termination of any of the provisions thereof or for the enforcement of compliance therewith, and for the punishment of violations of any of the provisions contained herein.

/s/ John Lewis Smith, Jr.
United States District Judge

Date: July 6, 1972