

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

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UNITED STATES OF AMERICA,  
c/o Department of Justice  
Antitrust Division  
Washington, D.C. 20530,

Plaintiff,

v.

LONRHO, PLC  
Cheapside House  
138 Cheapside  
London EC2V6BL, England,

LONRHO, INC.  
805 Third Avenue  
New York, N.Y. 10022,

ROBERT O. ANDERSON  
410 East College Boulevard  
Roswell, N.M. 88201,

DIAMOND A CATTLE COMPANY  
410 East College Boulevard  
Roswell, N.M. 88201,

Defendants

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Civil Action No. *88-1912*

*7/13/88*

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 and at the request of the Federal Trade  
Commission, brings this civil action to obtain monetary relief

in the form of a civil penalty against the defendants named herein, and alleges as follows:

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 ("Hart-Scott-Rodino Act"), to recover a civil penalty for a violation of the Hart-Scott-Rodino Act.

2. This Court has jurisdiction over the defendants 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 is proper by virtue of defendants' consent, in the Stipulation relating hereto, to the maintenance of this action and entry of Final Judgment in this District.

THE DEFENDANTS

4. Lonrho PLC is made a defendant herein. Lonrho PLC is a British corporation with its principal offices at Cheapside House, 138 Cheapside, London EC2V6BL, England.

5. Lonrho, Inc. is made a defendant herein. Lonrho, Inc. is a Delaware corporation with its principal offices at 805 Third Avenue, New York, New York 10022. Lonrho, Inc. was formed in 1985 as a United States holding company for Lonrho PLC and is ultimately wholly owned and is controlled by Lonrho PLC.

6. Diamond A Cattle Company ("Diamond A") is made a defendant herein. Diamond A is a New Mexico corporation with its principal offices at 410 East College Boulevard, Roswell, New Mexico 88201.

7. Robert O. Anderson ("Anderson") is made a defendant herein. Anderson is a resident of New Mexico with his principal place of business at 410 East College Boulevard, Roswell, New Mexico 88201. Anderson is the Chairman of Diamond A Cattle Company. Prior to October 21, 1986, Anderson owned 80 percent of the outstanding and issued shares of Diamond A and controlled Diamond A. He presently owns 40 percent of the outstanding and issued shares of Diamond A.

VIOLATION ALLEGED

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

9. Defendants Lonrho PLC, Lonrho, Inc., Anderson, and Diamond A have at all times pertinent to this proceeding been engaged in commerce, or in activities affecting commerce, within the meaning of Section 1 of the Clayton Act, 15 U.S.C. § 12.

10. Defendants Anderson and Lonrho PLC in 1986 had assets above the threshold established by Section (a) of the

Hart-Scott-Rodino Act, 15 U.S.C. § 18a(a). Anderson had total assets in excess of \$10 million, and Lonrho PLC had total assets in excess of \$100 million.

11. On or about October 21, 1986, Diamond A sold, and Lonrho, Inc. purchased, 40 percent of the voting securities of Diamond A.

12. The transaction described in Paragraph 11, by which Lonrho, Inc. acquired an aggregate total amount of voting securities of Diamond A in excess of \$15 million, was subject to the notification and waiting period requirements of the Hart-Scott-Rodino Act and the regulations promulgated thereunder, 16 C.F.R. § et seq. The Hart-Scott-Rodino Act and the regulations required (1) either Anderson, as the ultimate parent entity of Diamond A, or Diamond A as an entity within and authorized by Anderson and (2) either Lonrho PLC as the ultimate parent entity of Lonrho, or Lonrho as an entity within and authorized by Lonrho PLC, to file notification and to observe a waiting period before consummation of the transaction described in Paragraph 11.

13. Defendants Lonrho PLC, Lonrho, Inc., Anderson, and Diamond A did not comply with the reporting and waiting period requirements before consummating the transaction described in Paragraph 11.

14. On November 28, 1986, defendants Lonrho, Inc. and Diamond A (on behalf of Lonrho PLC and Anderson respectively) filed notification under the Hart-Scott-Rodino Act stating that, on or about October 21, 1986, Diamond A had sold and Lonrho, Inc. had purchased 50 percent of the voting securities of Diamond A. The Hart-Scott-Rodino Act waiting period relating to those two filings expired on December 27, 1986.

15. Defendants Lonrho PLC, Lonrho, Inc., Anderson, and Diamond A were in violation of the Hart-Scott-Rodino Act during the period from October 21, 1986 through December 27, 1986 (68 days).

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 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.

PRAYER

WHEREFORE, plaintiff prays:

1. That the Court adjudge and decree that defendants' consummation of Diamond A's sale and Lonrho, Inc.'s purchase of Diamond A stock on October 21, 1986 was a violation of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a, and that defendants were in violation of the Act throughout the period from October 21, 1986 through December 27, 1986 when the Act's waiting period expired;


2. That defendant Lonrho PLC or defendant Lonrho, Inc. be ordered to pay to the United States an appropriate civil penalty plus the costs of this action.

3. That defendant Anderson or defendant Diamond A be ordered to pay to the United States an appropriate civil penalty plus the costs of this action; and

4. That the plaintiff have such other and further relief as the Court may deem just and proper.

DATED:

  
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Assistant Attorney General

  
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Michael Boudin  
Deputy Assistant Attorney  
General

  
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FOR THE FEDERAL TRADE  
COMMISSION:

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Jeffrey I. Zuckerman  
Director

\_\_\_\_\_  
Edward F. Glynn, Jr.  
Assistant Director  
  
Bureau of Competition  
Federal Trade Commission  
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