

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) Civil Action No. N75-261
)
 FOSTER BAM;) Filed: October 31, 1975
 CITIES SERVICE COMPANY; and)
 AMERICAN NATURAL GAS COMPANY,) Entered: February 5, 1976
)
 Defendants.)

STIPULATION

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

1. 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Act, 15 U.S.C. §16, and without further notice to any party or other proceedings, provided that plaintiff has not withdrawn its consent, which it may do at any time before the entry of the proposed final judgment by serving notice thereof on defendants and by filing that notice with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 the plaintiff and defendants in this and any other proceeding.

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FINAL JUDGMENT

Plaintiff United States of America, having filed its complaint herein on *Oct. 31, 1975* and defendants having appeared by their attorneys, and plaintiff and the defendants, by their respective attorneys, having 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:

I.

This Court has jurisdiction over the subject matter and the parties consenting hereto. The complaint states a claim upon which relief may be granted under Section 8 of the Act of Congress of October 15, 1914 (15 U.S.C. §19), as amended, commonly known as the Clayton Act.

II.

As used in this Final Judgment:

(A) "Corporate defendant" means Cities Service Company or American Natural Gas Company;

(B) "Commerce in oil and gas" means the production and sale of crude petroleum and natural gas in interstate commerce or the acquisition of or effort to acquire interests in oil or gas producing properties.

(C) "Subsidiary" means any corporation more than fifty percent of whose stock entitled to vote for directors is, directly or indirectly, owned or controlled by a corporate defendant.

III.

The provisions of this Final Judgment shall apply to the corporate defendants and to their officers, directors, agents, employees, subsidiaries, successors and assigns and all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

IV.

(A) Defendant, Foster Bam, is enjoined and restrained from serving as a director of American Natural Gas Company or any subsidiary thereof, while serving as a director of Cities Service Company or any of its subsidiaries.

(B) Each corporate defendant is enjoined and restrained from permitting any person to serve as a director on its board, or the board of any subsidiary of said corporate defendant which is engaged in commerce in oil and gas, while such person is serving on the board of directors of the other corporate defendant, or on the board of any subsidiary of said other corporate defendant which is engaged in commerce in oil and gas.

(C) Each corporate defendant is enjoined and restrained from permitting any person to serve as a director on its board, or the board of any subsidiary of said corporate defendant which is engaged in commerce in oil and gas, while such person is serving on the board of directors of any other corporation (other than a subsidiary of the corporate defendant) which is itself or has any subsidiary that is engaged in commerce in oil and gas where such other corporation by virtue of its business and location of operation is, or has been, a competitor of said corporate defendant or subsidiary thereof, so that the elimination of competition by agreement between said corporate defendant or a subsidiary thereof and such other corporation or its subsidiary would constitute a violation of any of the provisions of any of the antitrust laws. Nothing in this Final Judgment shall preclude a person serving as a director of a corporate defendant, or as a director of a subsidiary thereof, from also serving as a director of another corporation, engaged in commerce in oil and gas, in which said corporate defendant or a subsidiary thereof has an ownership interest, where such other corporation has been formed as a joint venture for the purpose of providing a supply of natural or synthetic gas for its owners or as a means of transporting natural or synthetic gas from the place of production to the facilities of its owners.

V.

Within sixty (60) days of entry of this Final Judgment, each corporate defendant shall file with this Court and serve upon plaintiff an affidavit as to the fact and manner of its compliance with Section IV of this Final Judgment.

VI.

(A) For a period of ten years from the date of entry of this Final Judgment, each corporate defendant shall take affirmative steps to comply with this Final Judgment, and shall, on the anniversary date of this Final Judgment, file with the Court and serve upon plaintiff, an affidavit as to the fact and manner of its compliance with Section IV of this Final Judgment. Such statement shall describe, in reasonable detail, all steps taken to discharge its obligations under said Section IV. Upon election to its board of directors, each corporate defendant shall give the new director a copy of this Final Judgment.

(B) Compliance with this Final Judgment may be accomplished by a corporate defendant by (1) requiring that each of its directors within sixty (60) days from the date of entry of this Final Judgment, and not less than annually thereafter, furnish it with a written statement of the name, business or businesses, and location of operations of each other corporation of which said director is also a director; (2) requiring a written statement in the form described in (1) above from each person being considered for election as a director who has not served as a director during the preceding year; and (3) refusing to permit by all lawful means any person to serve as a director when a reasonably diligent investigation of information publicly available reveals that the election or continued service of said

person as a director of the corporate defendant, or any subsidiary thereof, would violate Section IV of this Final Judgment.

VII.

(A) For the purpose of determining or securing compliance with this Final Judgment and for no other purpose each corporate defendant shall permit, subject to any legally recognized privilege, duly authorized representatives of the Department of Justice, on written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to such defendant's principal office:

(1) Access during the regular office hours of such defendant, to inspect and copy any and all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession, custody or control of such defendant which relate 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 or employees of such defendant, who may have counsel present, regarding such matters.

(B) Upon written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, such defendant shall submit such reports in writing, with respect to the matters contained in this Final Judgment, as may from time to time be requested.

(C) 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

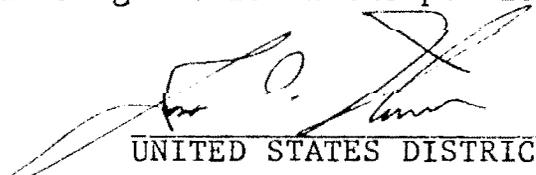
authorized representative of the Executive Branch of the plaintiff except in the course of legal proceedings to which the United States is a party for the purpose of securing compliance with this Final Judgment or as otherwise required by law.

VIII.

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 and directives as may be necessary or appropriate for the construction or modification of any of the provisions thereof, for the enforcement of compliance therewith, and for the punishment of violations thereof. This Final Judgment shall be in full force and effect for a period of twenty (20) years from the date of entry of this Final Judgment and thereafter shall have no further force or effect.

IX.

Entry of this Final Judgment is in the public interest.


UNITED STATES DISTRICT JUDGE

DATED: 2/5/76