

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
) Civil Action No. 2656
 v.)
) FINAL JUDGMENT
 THE WACHOVIA CORPORATION and)
 AMERICAN CREDIT CORPORATION,) Filed: August 4, 1975
)
 Defendants.) Entered October 14, 1975

Plaintiff United States of America, having filed its complaint herein on April 24, 1970 and defendants The Wachovia Corporation and American Credit Corporation 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 law or fact herein and without this Final Judgment constituting evidence or admission by any party with respect to any issue of law or fact 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 7 of the Act of Congress of October 15, 1914 (15 U.S.C. §18), as amended, commonly known as the Clayton Act.

II.

As used in this Final Judgment:

(A) "Wachovia" means defendant The Wachovia Corporation and its subsidiaries;

(B) "American Credit" means defendant American Credit Corporation and all its subsidiaries except Southeastern Financial Corporation and Virginia Crafts, Inc., a manufacturer of tufted carpets and rugs;

(C) "Southeastern Financial" means American Credit's subsidiary Southeastern Financial Corporation.

III.

The provisions of this Final Judgment shall apply to Wachovia and American Credit and to their officers, directors, agents, employees, 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) Wachovia is hereby ordered and directed to divest, as a single competitive entity, all of its interest, direct or indirect, in American Credit within two (2) years of the date of entry of this Final Judgment, or submit to the plaintiff thirty (30) days prior to the expiration of such period a plan of divestiture, approved by the Board of Directors of Wachovia, whereby Wachovia will spin-off all of its interest in American Credit to its own shareholders, such spin-off to be completed within six (6) months of the expiration of the two (2) year divestiture period. Should Wachovia require additional time in which to complete such a spin-off, plaintiff shall grant such additional time, as is necessary, upon a showing by Wachovia of a good-faith effort to comply with the requirements of this subsection.

(B) Defendants shall take such action as is necessary for American Credit to sustain itself as a competitive entity in order to insure Wachovia's ability to accomplish divestiture.

(C) Defendants shall submit to plaintiff for approval the details of any proposed plan of divestiture intended to implement the provisions of subsection (A) above. Within thirty (30) days of the receipt of these details, the plaintiff may request supplementary information concerning the plan, which shall be furnished by Wachovia. Following the receipt of any such supplementary information submitted pursuant to plaintiff's last request for such information, plaintiff shall have thirty (30) days in which to object to such plan of divestiture by written notice to Wachovia. If no request for supplementary information is made, said notice of objection shall be given within thirty (30) days of receipt of the originally submitted details of the plan. If plaintiff objects to the proposed plan of divestiture it shall not be consummated unless plaintiff withdraws its objection or the Court gives its approval to the plan. If plaintiff does not object, the plan shall be submitted to the Court for approval.

(D) If the proposed plan of divestiture is contingent upon the approval of the Board of Governors of the Federal Reserve System, the time period set forth in subsection (A) above shall be tolled from the date of application to the Board until such application is approved or denied.

(E) Nothing in this Final Judgment shall prohibit Wachovia from retaining, accepting and enforcing a bona fide lien, mortgage, deed of trust or other form of security interest on the property divested for the purpose of

securing full payment of the price at which such property is disposed of or sold.

(F) Should Wachovia regain ownership or control of any property divested pursuant to this Final Judgment Wachovia shall divest such reacquired property in accordance with the provisions of this Final Judgment within one (1) year from the date of such reacquisition.

V.

If the requirements of Subsection (A) of Section IV have not been completed within the designated time or such additional time as may be granted pursuant to Section IV(A), the Court shall, if the plaintiff so applies, and after opportunity for the parties to be heard, irrevocably convey to a trustee all of Wachovia's undivested interest in American Credit. The trustee shall have full authority to manage all of Wachovia's interest in American Credit and shall dispose of same with all deliberate speed. The fees and expenses of the trusteeship as are required to accomplish divestiture shall be paid by Wachovia as accrued.

VI.

No officer, director, agent or employee of Wachovia shall at the same time be an officer, director, agent or employee of the purchaser of any stock or assets divested pursuant to this Final Judgment.

VII.

(A) Wachovia is enjoined and restrained, for a period of ten (10) years from the effective date of this Final Judgment from acquiring all or part of the stock or assets of any company engaged in consumer or automobile finance in the State of North Carolina, or any company engaged in commercial finance or factoring in the United States without the prior consent of plaintiff or if plaintiff does not give its consent, without the approval of the Court.

(B) Nothing in this Final Judgment shall prohibit Wachovia from acquiring, directly or indirectly, all or part of the stock or assets of any state or federally chartered commercial bank or any company engaged primarily in mortgage banking.

(C) Nothing in this Final Judgment shall prohibit Wachovia from acquiring, in the ordinary course of business, any property, including commercial paper, or from retaining, accepting and enforcing a bona fide lien, mortgage, deed of trust or other form of security interest on such property.

VIII.

Beginning ninety (90) days after the date of entry of this Final Judgment, and continuing every six (6) months during the divestiture period, Wachovia shall furnish a written report to plaintiff setting forth the steps it has taken to accomplish the divestiture required herein.

IX.

(A) For the purpose of determining or securing compliance with this Final Judgment and for no other purpose each 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.

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.

X.

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 directions 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.

Entry of this Final Judgment is in the public interest.

/s/ JAMES B. McMILLAN
United States District Judge

Dated: Oct. 14, 1975