

**UNITED STATES OF AMERICA v. THE WARD FOOD  
PRODUCTS CORPORATION ET AL., DEFENDANTS.**

IN THE DISTRICT COURT OF THE UNITED STATES FOR  
THE DISTRICT OF MARYLAND.

In Equity No. 1073.

THE UNITED STATES OF AMERICA, PETITIONER,

*v.*

THE WARD FOOD PRODUCTS CORPORATIONS, THE WARD  
Baking Corporation, Ward Baking Company, The  
General Baking Corporation, The General Baking  
Company, The Continental Baking Corporation, United  
Bakeries Corporation, William B. Ward, Howard B.  
Ward, William Deininger, Paul H. Helms, J. W. Rum-  
bough, R. E. Peterson, George G. Barber, and George  
B. Smith, defendants.

DECREE.

The United States of America having filed its petition  
herein on the 8th day of February, 1926, and the defend-  
ants, The Ward Food Products Corporation and William  
B. Ward, the Ward Baking Corporation and the Ward

Baking Company, having duly appeared by Semmes, Bowen and Semmes, their solicitors; and the defendants, The General Baking Corporation, General Baking Company and Paul H. Helms, having duly appeared by Marbury, Gosnell and Williams, and Simpson, Thatcher and Bartlett, their solicitors; and the defendants, The Continental Baking Corporation, United Bakeries Corporation and George G. Barber, having duly appeared by Venable, Baetjer and Howard, their solicitors;

Comes now the United States of America, by Amos W. W. Woodcock, its attorney for the District of Maryland, and by John G. Sargent, Attorney General, William J. Donovan, Assistant to the Attorney General of the United States, and by Abram F. Myers and Mary G. Conner, Special Assistants to the Attorney General, and come also the defendants named herein by their solicitors as aforesaid;

And it appearing to the Court by admission of the parties consenting to this decree, that the petition states a cause of action; that the Court has jurisdiction of the subject matters alleged in the petition, and that the Court is empowered to prevent and restrain violations of the hereinafter mentioned statutes in advance of their consummation; and the petitioner having moved the Court for an injunction and for other relief against the defendants as hereinafter decreed;

And the Court finding and adjudging, with the consent of the parties consenting to this decree, that a plan such as alleged in the petition herein to bring under the control of the defendant, The Ward Food Products Corporation, the other corporate defendants herein, if consummated, would constitute a violation of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," known as the Sherman Antitrust Act, and a violation of Section 7 of the Act of Congress of October 15, 1914, entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," known as the Clayton Act;

And the defendant, The General Baking Corporation, by its solicitors, having informed the Court that on March 8, 1926, The General Baking Corporation acquired 460,000 shares and on March 10, 1926, 540,000 shares of the voting stock of The General Baking Corporation owned or held by the Defendant, William B. Ward; that on March 23, 1926, The General Baking Corporation increased the number of its directors from three to seven; and that within one year after the entry of this decree The General Baking Corporation, by appropriate action under the laws of Maryland, will reduce its authorized capital stock by reducing its Class A nonvoting stock from five million shares to two million shares;

And the defendant, The Ward Food Products Corporation, by its solicitors, having informed the Court that within thirty days after the entry of this decree, it would dissolve, forfeit all of its corporate privileges and surrender its charter to the State of Maryland;

And the Court having duly considered the statements of counsel for the respective parties; and the defendants named herein, through their solicitors, now and here consenting to the entry of this decree;

Now, therefore, it is ordered, adjudged, and decreed as follows:

1. That the defendants shall, within the time in each instance specified, carry into execution the undertakings hereinbefore set forth;

2. That pending the dissolution of the defendants, The Ward Food Products Corporation, as herein provided, said corporation is enjoined and restrained from issuing any capital stock, bonds, or other evidences of indebtedness, and from acquiring any property or transacting any business or taking any action other than may be necessary to terminate its existence;

3. That until the authorized capitalization of the defendant, The General Baking Corporation, shall have been reduced as hereinabove provided, The General Baking Corporation is enjoined and restrained from issuing

or using all or any part of the three million shares of Class A nonvoting stock so to be cancelled;

4. That the individual defendants and the corporate defendants, their officers, directors, agents and employees, are perpetually restrained and enjoined from directly or indirectly doing any act or thing in furtherance of any such plan as described in the petition for bringing the several corporate defendants under common control; and from forming or joining any like plan for restraining or monopolizing interstate trade and commerce in the future;

5. That the defendants, The Ward Baking Corporation, the Ward Baking Company and all persons acting for or in behalf of them or any of them, be and they are hereby perpetually enjoined, restrained, and prohibited from acquiring directly or indirectly, receiving or holding, voting or in any manner acting as the owner of, or exercising direct or indirect control of, the whole or any part of the shares of the capital stock of the defendants, The Continental Baking Corporation, the United Bakeries Corporation, The General Baking Corporation, The General Baking Company, or any of their controlled companies, and from acquiring any of their physical assets;

6. That the defendants, The General Baking Corporation, The General Baking Company, and all persons acting for or in behalf of them, or any of them, be and they are hereby perpetually enjoined, restrained, and prohibited from acquiring directly or indirectly, receiving or holding, voting or in any manner acting as the owner of, or exercising direct or indirect control of, the whole or any part of the shares of capital stock of The Ward Baking Corporation, The Ward Baking Company, The Continental Baking Corporation, or the United Bakeries Corporation, or any of their controlled companies, and from acquiring any of their physical assets;

7. That the defendants, The Continental Baking Corporation, the United Bakeries Corporation, and all persons acting for or in behalf of them, or any of them, be,

and they are hereby perpetually enjoined, restrained, and prohibited from acquiring, directly or indirectly, receiving or holding, voting or in any manner acting as the owner of, or exercising direct or indirect control of, the whole or any part of the shares of capital stock of the defendants, The Ward Baking Corporation, The Ward Baking Company, The General Baking Corporation, The General Baking Company, or any of their controlled companies, and from acquiring any of their physical assets;

8. That the corporate defendants herein named are hereby perpetually enjoined, restrained, and prohibited from acquiring, directly or indirectly, the whole or any part of the stock or other share capital of any other baking corporation engaged also in interstate commerce where the effect of such acquisition may be to substantially lessen competition in such commerce between the corporation whose stock is so acquired and the defendant corporations or tend to create a monopoly.

9. That the defendants, William B. Ward, Paul H. Helms, and George G. Barber, are severally perpetually enjoined, restrained, and prohibited from acquiring, receiving, holding, or voting, or in any manner acting as the owner of any of the voting shares of the capital stock of more than one of the defendant corporations and its subsidiaries; and from acquiring any of the physical assets of more than one of said corporations;

10. That the defendants, William B. Ward, Paul H. Helms, and George G. Barber, are severally required to dispossess themselves of all voting shares of capital stock in any of the defendant corporations and the companies controlled by them, other than such defendant corporation and its subsidiaries as he may elect to retain his holdings in under Section 9 hereof;

11. That the defendants, The Ward Food Products Corporation, The Ward Baking Corporation, and Ward Baking Company, constituting one group; The General Baking Corporation and The General Baking Company,

constituting a second group; and The Continental Baking Corporation and United Bakeries Corporation, constituting a third group, are severally perpetually enjoined, restrained, and prohibited from electing or appointing and from continuing any person as a director or as an officer who is at the same time a director, officer, agent, or employee in any of the corporations of either of the other groups or their subsidiaries; the purpose of this provision being to insure to the corporations of each group and their subsidiaries a direction and management independent of the direction and management of the corporations of the other groups and their subsidiaries;

12. That each of the corporate groups as defined in Section 10 hereof, their officers, directors, agents, or employees is perpetually enjoined, restrained, and prohibited from entering into any contracts, agreements, or understandings with one or more of the other corporate defendants herein for joint purchases of materials, supplies, and equipment, or for common prices or common policies in the marketing and sale of their output, as in the petition alleged.

13. It appears that the charge contained in the petition herein that the acquisition and holding by the defendant, The Continental Baking Corporation, of the stocks and other share capital of alleged competing baking companies is in violation of Section 7 of the Clayton Act, was included also in a complaint filed by the Federal Trade Commission against The Continental Baking Corporation on December 19, 1925.

Wherefore the petition is dismissed as to that charge without prejudice to the right of the United States to again raise the issue in any other proceeding.

14. It is further ordered, adjudged, and decreed that this decree and any of the provisions hereof shall be without prejudice to the rights and interests of the said defendants in any proceeding, civil or criminal, which may hereafter be brought except that its recitals shall

be conclusive in all proceedings brought to enforce an observance of this decree or any part thereof.

15. That any of the parties to this decree may make application to the Court at any time for such further orders and directions as may be necessary or proper in relation to the carrying out of the provisions of this decree, and for the enforcement of strict compliance therewith and the punishment of evasions thereof; and jurisdiction of this cause is retained for the purpose of giving full effect to this decree, and for the purpose of making such other and further orders, decrees, amendments, or modifications, or taking such other action, if any, as may be necessary or appropriate to the carrying out and enforcement of said decree.

16. That the petition be, and it is hereby dismissed as to defendants William Deininger, George B. Smith, Howard B. Ward, J. W. Rumbough, and R. E. Peterson, without prejudice.

17. That the United States shall recover its costs.

MORRIS A. SOPER,  
*United States District Judge.*

April 3, 1926.