

UNITED STATES DISTRICT COURT

DISTRICT OF MINNESOTA

FOURTH DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
GENERAL CINEMA CORPORATION,)
)
 Defendant.)

CIVIL ACTION
NO. 4-71 C 473

FINAL JUDGMENT

Plaintiff, United States of America, having filed its complaint herein on September 13, 1971, and the defendant having filed its answer thereto denying the material allegations of the complaint, and plaintiff and defendant, 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 any evidence or admission by any party hereto with respect to any such issue;

Now, Therefore, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein and without this Final Judgment constituting any evidence or admission by any party hereto with respect to any such issue, and upon consent of the parties hereto it is hereby

Ordered, Adjudged and Decreed as follows:

Filed August 2 19 73
Harry A. Sieben, Clerk
By Ellen M. Ellis
Deputy

I

This Court has jurisdiction of the subject matter hereof and the parties hereto. The complaint states a claim upon which relief may be granted against the defendant under Section 7 of the Act of Congress of October 15, 1914 (15 U.S.C. § 18), commonly known as the Clayton Act, as amended.

II

As used in this Final Judgment:

(a) "Person" shall mean an individual, partnership, corporation or any other legal entity;

(B) "General Cinema" shall mean defendant General Cinema Corporation;

(C) "Minneapolis and St. Paul Metropolitan Area" shall mean the area within a radius of about 20 miles from the center of the City of Minneapolis, including the following municipalities in the State of Minnesota: Minneapolis, St. Paul, Bloomington, Edina, Hopkins, St. Louis Park, Wayzata, Robinsdale, Brooklyn Center, Columbia Heights, Falcon Heights, White Bear Lake, South St. Paul, Anoka, and intervening areas.

III

The provisions of this Final Judgment applicable to General Cinema shall apply to each of its directors, officers, agents, employees, affiliates, successors and assigns, and to all 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) General Cinema is ordered and directed to divest, within twenty-four (24) months from the date of entry of this Final Judgment, all of its interest, direct and indirect, in the theatres listed in Appendix A to this Final Judgment.

(B) Until the time of such divestiture, General Cinema shall continue to operate all of said theatres for the exhibition of motion pictures.

(C) No divestiture of all or any portion of said theatres shall be made to any person or persons who are directors, officers, agents, employees, or affiliates of General Cinema at the time of divestiture.

(D) General Cinema shall use its best efforts to secure purchasers and new tenants and operators for the theatres. General Cinema shall furnish to bona fide prospective purchasers, or their agents, all appropriate information regarding the business of the theatres and shall permit them to make such inspection of the facilities and operations of the theatres as is reasonably necessary for a prospective purchaser to advise himself properly.

(E) Ninety (90) days after the date of entry of this Final Judgment and every ninety (90) days thereafter until a satisfactory purchaser(s) is (are) obtained, General Cinema shall report to the plaintiff in writing the steps which have

been taken to comply with this Section IV and shall make known to the plaintiff the names and addresses of all persons who have made an offer for the theatres together with the terms and conditions of such offer. At least sixty (60) days in advance of the effective date of any contract with any purchaser, General Cinema shall supply the plaintiff with the name and address of such proposed purchaser, and with the basic facts concerning the terms and conditions of the proposed divestiture, together with any other pertinent information requested by the plaintiff. At the same time, General Cinema shall make known to the plaintiff the names and addresses of all other persons not previously reported who have made an offer for the theatres together with the terms and conditions of such offer. No more than thirty (30) days after its receipt of the basic facts of the proposed transaction and such additional information as it may request, the plaintiff shall advise General Cinema of any objection it may have to the consummation of the proposed divestiture. If no such objection is made known to General Cinema within such period, the plaintiff shall be deemed to have approved such divestiture. If such an objection is made by the plaintiff, the proposed divestiture shall not be consummated unless approved by the Court or unless the plaintiff's objection is withdrawn.

(F) Any contract of sale or lease pursuant to this Final Judgment shall require the purchaser to file with this Court its representation that it intends to continue operating the assets for the exhibition of motion pictures and to be bound by the applicable terms of this Final Judgment.

(G) In the event the theatres are not totally divested within the period specified in paragraph (A) above, the Court may, on application and showing by General Cinema that it has diligently and in good faith attempted to make such divestiture, extend the time specified for a period not to exceed twelve (12) months. If diligence and good faith is not shown or at the end of any extended period if the theatres have not been totally divested, the Court shall on application of any party hereto appoint a trustee for the purpose of selling or leasing all theatres remaining to be divested. The trustee shall have full power and authority to dispose of all or any part of the theatres and such other assets as may be necessary to continue operations of the exhibition of motion pictures, at whatever price and terms are obtainable by him subject to approval by the Court after notice to the parties hereto and a hearing on any objection by a party to the disposition proposed by the trustee. The trustee shall use his best efforts to dispose of the theatres transferred within twelve (12) months of his appointment. The trustee shall serve on such terms as the Court sees fit and shall account for all

revenues derived from the disposal of the theatres and other assets and all expenses incurred therein. After approval by the Court of the trustee's account, including fees for his services, all remaining monies shall be paid to General Cinema, or if there are unsatisfied claims General Cinema shall pay them, and the trust created hereunder shall be terminated.

(H) General Cinema shall not, for a period of three (3) years beginning with the date that the Valley West Theatre is divested to another operator as provided for by this Judgment, convert the Southtown Theatre into a theatre having more than one auditorium.

(I) If any purchaser or new tenant and operator for any theatre divested under this Final Judgment defaults in any lease obligation and General Cinema is required to discharge such lease obligation, General Cinema may re-enter the premises and operate the theatre until such theatre can be re-divested; in any such case the theatre shall again be divested within the period provided herein for divestiture or within a year after re-entry, whichever is later.

V

General Cinema is enjoined and restrained for a period of ten (10) years from the date of entry of this Final Judgment from acquiring, without the consent of plaintiff, any part of the assets, or of the stock or other share capital, of any operating motion picture theatre in the Minneapolis and St. Paul Metropolitan Area.

VI

(A) For the purpose of determining or securing compliance with this Final Judgment and for no other purpose, General Cinema shall permit 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, subject to any legally recognized privilege:

- (1) Access during the business hours of General Cinema, who may have counsel present, to those books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of General Cinema which relate to any matters contained in this Final Judgment;
- (2) Subject to the reasonable convenience of General Cinema and without restraint or interference from it, to interview officers or employees of General Cinema, any of whom may have counsel present, regarding such matters.

(B) Upon such written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, General Cinema 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 VI of this Final Judgment shall be divulged by a 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 determining or securing compliance with this Final Judgment or as otherwise required by law.

VII

Jurisdiction is retained by this Court for the purpose of enabling 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 applicable provisions thereof, for the enforcement of compliance therewith and for the punishment of violations thereof.

ENTER this 3rd day of August, 1973.

Philip Neville
Philip Neville
United States District Judge

APPENDIX A TO FINAL JUDGMENT

<u>Name of Owner</u>	<u>Name of Theatre</u>
Suburban Cinema Corp.	Suburban World
Westgate Cinema Corp.	Westgate
Varsity Cinema Corp.	Campus
Lagoon Cinema Corp.	Uptown
Valley West Cinema Corp.	Valley West
Orpheum-St. Paul Cinema Corp.	Orpheum
Strand Cinema Corp.	Strand
Compton Theatre Corporation	State
World Cinema-St. Paul Corp.	World
GCC-Mann Corp.	Edina Theatre (Management Agreement only)

All of the above owners are Minnesota corporations and are in turn owned by General Cinema Corporation, a Delaware corporation.