

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff,

vs.

GENERAL MOTORS CORPORATION;
LOSOR CHEVROLET DEALERS
ASSOCIATION; DEALERS' SERVICE,
INC., and FOOTHILL CHEVROLET
DEALERS ASSOCIATION,
Defendants.

CIVIL ACTION
No. 62-1208-CC

FINAL JUDGMENT

The Supreme Court of the United States, having rendered its Opinion on April 28, 1966, that the defendants have combined and conspired in violation of Section 1 of the Act of Congress of July 2, 1890, entitled "an Act to protect trade and commerce against unlawful restraints and monopolies," as amended, commonly known as the Sherman Act, and having remanded this cause in order that this Court may fashion appropriate relief;

NOW, THEREFORE, in accordance with the opinion of

the Supreme Court which was filed and spread on the records of this Court on June 13, 1966, the parties having been heard and briefs filed, it is hereby

ORDERED, ADJUDGED AND DECREED as follows:

I.

This Court has jurisdiction of the subject matter of this action and of the parties hereto. The judgment of this Court of September 14, 1964, in favor of defendants is hereby vacated. The Supreme Court decided that defendants have engaged in a combination and conspiracy in unreasonable restraint of trade and commerce in Chevrolet automobiles in the Southern California area in violation of Section 1 of the Sherman Act, in that defendants and Chevrolet dealers have engaged in joint collaborative action in the Southern California area to eliminate a class of competitors by terminating business dealings between some of such Chevrolet dealers and discount houses and referral services and to deprive Chevrolet dealers in the Southern California area of their freedom to deal through discount houses and referral services if they so choose, and that the aforesaid combination and conspiracy was effectuated. The aforesaid decision of the Supreme Court is hereby entered as the judgment of this Court.

II.

As used in this Final Judgment:

(A) "Person" shall mean any individual, partnership,

firm, corporation, association or other business entity;

(B) "General Motors" shall mean the defendant General Motors Corporation, a corporation organized and existing under the laws of the State of Delaware;

(C) "Automotive vehicles" shall mean the various series and models of new passenger cars and station wagons and trucks sold by General Motors' passenger car divisions;

(D) "Chevrolet automobile" shall mean an automotive vehicle manufactured or assembled by the Chevrolet Motor Division of General Motors and sold by General Motors under any trade name used by the Chevrolet Motor Division, including but not limited to Chevrolet, Corvair, Chevy II, Chevelle and Corvette;

(E) "Chevrolet dealer" shall mean any person engaged under a Chevrolet dealer franchise agreement in purchasing Chevrolet automobiles from General Motors for resale;

(F) "Southern California area" shall mean the counties of Los Angeles, Orange, Ventura, Riverside, San Bernardino, and San Diego, State of California;

(G) "Defendant associations" shall mean the defendants Losor Chevrolet Dealers Association, Dealers' Service, Inc., Foothill Chevrolet Dealers Association, and each of them.

III.

The provisions of this Final Judgment applicable to any defendant shall apply to such defendant, its subsidiaries, successors and assigns engaged in the business of selling automobiles for resale within the United States, and to each of its officers, directors, agents, employees, and to all members and other persons in active concert or participation with such defendant who shall have received actual notice of this Final Judgment by personal service or otherwise.

IV.

Defendant General Motors is enjoined and restrained:

(A) For a period of six (6) months from the effective date of this Final Judgment from preventing, restricting or limiting, through enforcement of contracts or otherwise, any Chevrolet dealer in the Southern California area from selling Chevrolet automobiles to or through any person or class of persons engaged, or desiring to engage, in selling or offering for sale automobiles including but not limited to discount houses or referral services, or from persuading, urging or suggesting that any such dealer refrain from so selling;

(B) From entering into, maintaining, adhering to or enforcing any combination or conspiracy with Chevrolet dealers or with any trade association or other organization of Chevrolet dealers to restrict or limit, or attempt to restrict or limit such dealers from selling Chevrolet

automobiles to or through any persons or class of persons engaged, or desiring to engage, in selling or offering for sale automobiles including but not limited to discount houses or referral services.

V.

Each defendant is enjoined and restrained from entering into, maintaining, adhering to or enforcing any combination or conspiracy with any other defendant, Chevrolet dealers, or trade association or other organization of Chevrolet dealers, in the Southern California area:

(A) To prevent, restrict, or limit Chevrolet dealers in the Southern California area from selling Chevrolet automobiles to or through any person or class of persons engaged, or desiring to engage, in selling or offering for sale automobiles including but not limited to discount houses or referral services;

(B) To shop or otherwise investigate the persons or class of persons through whom any Chevrolet dealer in the Southern California area is selling or intends to sell any Chevrolet automobile.

VI.

Each of the defendant associations is enjoined and restrained:

(A) From shopping or otherwise investigating the persons or class of persons through whom any Chevrolet

dealer in the Southern California area is selling or intends to sell any Chevrolet automobile;

(B) From shopping or otherwise investigating the prices at which any Chevrolet dealer in the Southern California area has sold, is selling or intends to sell any Chevrolet automobile through a discount house;

(C) From supplying to General Motors the results of any price investigation made by any of defendant associations.

VII.

Each of the defendant associations is ordered and directed:

(A) Within ninety (90) days from the effective date of this Final Judgment, to mail a copy thereof to each of its members by registered or certified mail and to file with this Court, with a copy to the plaintiff, an affidavit setting forth the fact and manner of compliance with this subsection (A), and the persons to whom copies of said Final Judgment were sent;

(B) To furnish to all its future members, directors and officers a copy of this Final Judgment.

VIII.

For the purpose of determining or securing compliance with this Final Judgment and for no other purpose:

(A) Subject to any legally recognized privilege, duly authorized representatives of the Department of Justice

shall, upon written request of the Attorney General, or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to any defendant, made to its principal office, be permitted:

(1) Access during the office hours of the defendant to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of such defendant, who may have counsel present, relating to any of the matters contained in this Final Judgment; and

(2) Subject to the reasonable convenience of the defendant and without restraint or interference from it, to interview officers or employees of the defendant, who may have counsel present, regarding any such matters.

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

No information obtained by the means provided in this Section VIII 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 of America is a party for the purpose of securing compliance with this Final Judgment or as otherwise required by law.

IX.

Jurisdiction is retained by this Court for the purpose of enabling either 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 carrying out of this Final Judgment or for the modification or termination of any of the provisions thereof, and for the enforcement of compliance therewith and punishment of violations thereof.

X.

Nothing in this Final Judgment shall be construed to adjudicate the meaning, effect, validity or invalidity of any provision of a Chevrolet dealer franchise agreement.

Neither the injunctive provisions of this Final Judgment nor any other provision thereof shall be construed to enjoin General Motors from acting unilaterally under any Chevrolet dealer franchise agreement or from unilaterally enforcing any such agreement except to the extent and for the period provided in Paragraph IV(A) of this Final Judgment.

XI.

The injunctive provisions of this Final Judgment shall not be construed as prohibiting General Motors and any Chevrolet dealer from performing any acts reasonably required to carry out their respective obligations under any legislation relating to safety of motor vehicles; and the injunctive provisions of this Final Judgment shall not be construed as barring defendants, or any of them, from advocating or opposing governmental action or from obtaining or disseminating any information solely for such purpose.

XII.

This Final Judgment shall become effective thirty (30) days after date of its entry.

DATED: August 17, 1966.

191 Charles Carr
United States District Judge

Approved as to form without waiver
of any objection as to substance,
this 16 day of August, 1966.

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Approved as to form August 16, 1966.

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