

IN THE  
**District Court of the United States**  
SOUTHERN DISTRICT OF NEW YORK.

UNITED STATES OF AMERICA,  
Petitioner,

v.

RAND KARDEX BUREAU, INC.,  
RAND KARDEX COMPANY, INC.,  
THE GLOBE WERNICKE COM-  
PANY, THE FOURTH AND CEN-  
TRAL TRUST COMPANY, JAMES  
H. RAND, JAMES H. RAND, JR.,  
STANLEY M. KNAPP, HENRY C.  
YEISER, HENRY C. YEISER, JR.,  
and E. Z. BLAGG,  
Defendants.

In Equity  
No. E 39-14.

TO EACH OF THE DEFENDANTS IN THE  
ABOVE ENTITLED ACTION:

Sir:

PLEASE TAKE NOTICE that a decree, of  
which the within is a copy, was duly filed and en-  
tered in the office of the Clerk of the District Court  
for the Southern District of New York on the 9th  
day of December, 1926.

EMORY R. BUCKNER,  
United States Attorney,  
Southern District of New York,  
Attorney for Petitioner.

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**Final Decree.**

This cause came on to be heard at this Term and upon consideration thereof, and upon motion of the petitioner by Emory R. Buckner, United States Attorney for the Southern District of New York, and Alexander B. Royce, W. Houston Kenyon, Jr., and Israel B. Oseas, Special Assistants to the United States Attorney, of counsel, for relief in accordance with the prayer of the petition, and all of the defendants having made and filed their several answers to the petition herein and all of the defendants having appeared in open Court by their solicitors, Webb, Patterson & Hadley, and Daniel J. Kenefick, Charles P. Franchot, and John B. Hollister, of counsel, and it appearing to the Court by

admission of the parties consenting to this decree that the petition states a cause of action warranting the relief herein granted, 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, and no testimony or evidence having been taken, and all of said defendants having consented thereto by counsel in open Court; NOW THEREFORE, it is

ORDERED, ADJUDGED and DECREED as follows:

1. That the acquisition by the defendant Rand Kardex Bureau, Inc., of stock of The Globe Wernicke Company, as in the petition herein set forth, is a violation of Section 7 of the Act of Congress of October 15, 1914, commonly called the Clayton Act, and is illegal.

2. That the contract, dated December 29, 1925, between Rand Kardex Bureau, Inc., Henry C. Yeiser, Henry C. Yeiser, Jr., and E. Z. Blagg, and The Fourth & Central Trust Company, and certain of the stockholders of The Globe Wernicke Company, providing for such acquisition of stock in violation of Section 7 of the Act of Congress of October 15, 1914, commonly called the Clayton Act, is illegal and void.

3. That Section 8 of the Act of Congress of October 15, 1914, commonly called the Clayton Act, is violated by the presence of defendants James H. Rand, Jr., and Stanley M. Knapp upon the boards of directors of both corporate defendants, Rand Kardex Bureau, Inc., and The Globe Wernicke Company.

4. That the defendant The Fourth & Central Trust Company be and it hereby is forever restrained and enjoined from any of the following: (a) transferring any shares of stock of The Globe Wernicke Company now deposited with it under the terms of said contract of December 29, 1925, to the defendant Rand Kardex Bureau, Inc.; (b) acting as agent for stockholders of The Globe Wernicke Company, who have heretofore deposited stock of The Globe Wernicke Company with The Fourth & Central Trust Company, to effect the exchange of stock of The Globe Wernicke Company for stock of Rand Kardex Bureau, Inc.; or (c) accepting any further deposits of stock of The Globe Wernicke Company under the terms of said contract of December 29, 1925.

5. That the defendant Rand Kardex Bureau, Inc., be and it hereby is directed by adequate instruments of conveyance to set over and deliver to David H. McAlpin, III, who is hereby appointed trustee for the purpose, all of the shares of capital stock of the defendant The Globe Wernicke Company heretofore acquired and now owned and/or held directly or indirectly by the defendant Rand Kardex Bureau, Inc., and the defendants Rand Kardex Bureau, Inc., and The Fourth & Central Trust Company be and they hereby are directed by like instruments to set over and deliver to said trustee all of the shares of capital stock of the defendant The Globe Wernicke Company heretofore deposited with said The Fourth & Central Trust Company under and by virtue of the terms of said contract of December 29, 1925, and as to which Rand Kardex Bureau, Inc., now holds a certificate or certificates of deposit, whereupon said Rand Kardex Bureau, Inc., is directed to surrender said certificate or certificates of deposit to the defendant The Fourth & Central Trust Company.

6. That the said trustee is hereby directed to hold and vote the said shares of stock so set over and delivered to him as hereinbefore provided, collect the dividends thereon and as collected pay the same to the defendant Rand Kardex Bureau, Inc., and from time to time at public or private sale and on terms fixed by him to sell such shares and to pay over to Rand Kardex Bureau, Inc., the proceeds thereof as collected, after first deducting his expenses in connection therewith. The following provisions of this paragraph shall be binding upon the trustee and all parties hereto, but the sufficiency of the title to stock acquired by any purchaser from the said trustee shall not be affected by the compliance or non-compliance therewith:

(a) The trustee shall make no sale of stock unless he has first satisfied himself that the purchaser is not acquiring the same directly or indirectly for or in the interest of Rand Kardex Bureau, Inc., Rand Kardex Company, Inc., James H. Rand, James H. Rand, Jr., Stanley M. Knapp, or any officer or director of Rand Kardex Bureau, Inc., or Rand Kardex Company, Inc.

(b) Not less than ten (10) days before making any sale of stock the trustee shall mail written notices of the terms of such sale and the name or names of the proposed purchaser or purchasers to the following:

United States Attorney, New York, N. Y.

Rand Kardex Bureau, Inc., Tonawanda, N. Y.

The Globe Wernicke Company, Norwood, Ohio. In the event that after receipt of such notice and within said period either the United

States Attorney or Rand Kardex Bureau, Inc., shall apply to this Court for instructions to the trustee with respect to such proposed sale of stock, the trustee on receipt of notice of such application shall postpone such sale until this Court shall have issued its order with respect thereto, made upon such application.

(c) All sales shall be for cash, except that the defendant Rand Kardex Bureau, Inc., may from time to time submit to the trustee in writing recommendations for the sale or exchange of stock for cash or other consideration, which recommendations, if not in contravention of the restrictions as to purchaser hereinabove provided, shall be followed by the trustee after first giving the notice specified in subparagraph (b) above.

(d) The sale of all stock shall be completed by December 31, 1928, unless such period of time is further extended by this Court upon the application of said trustee or any party hereto.

7. That the defendant Rand Kardex Bureau, Inc., pay the reasonable expenses of the trustee and in addition his compensation as the same shall be fixed from time to time by this Court.

8. That the defendant The Fourth & Central Trust Company be and it hereby is directed to return and deliver to the respective holders of certificates of deposit (other than Rand Kardex Bureau, Inc.), all shares of stock of The Globe Wernicke Company held by The Fourth & Central Trust Company under the terms of the contract of December 29, 1925, upon the surrender to it of the certificates of deposit.

9. That the defendant Rand Kardex Bureau, Inc., be and it hereby is perpetually enjoined, restrained and prohibited from acquiring, receiving, holding, voting, or in any manner acting as the owner of or exercising directly or indirectly control over any part of the stock or other share capital of the defendant The Globe Wernicke Company or of the stock or other share capital of any successor corporation.

10. That the defendants Rand Kardex Bureau, Inc. and The Globe Wernicke Company be and they hereby are directed to terminate as speedily as possible, and in any event prior to January 1, 1928, any and all combined or cooperative manufacturing, distributing and/or selling contracts or arrangements heretofore entered into between them and, particularly, before the expiration of said period release, in each case, to the exclusive use of one of them only, all retail selling stores now established directly or through subsidiary companies for the joint use of both.

11. That within the next succeeding ten (10) days each of the defendants James H. Rand, Jr. and Stanley M. Knapp shall resign his position as a member of one of the boards of directors of the defendants Rand Kardex Bureau, Inc., and The Globe Wernicke Company, so that he shall continue to be a director of only one of said corporations, and each of said defendants is perpetually enjoined and restrained from thereafter becoming at the same time a member of the boards of directors of both of said corporations or of their respective successor corporations.

12. That the individual defendants, and each of them, be and they hereby are perpetually enjoined,

restrained and prohibited from making use of their positions as directors and/or officers of the defendant corporations, or as directors and/or officers of corporations in which any defendant corporation directly or indirectly holds or shall hold any stock, as a means of adopting uniform policies having a tendency to restrain competition between corporations engaged in the interstate trade and commerce in office equipment and/or visible index equipment.

13. That jurisdiction of this cause is retained by this court for the sole purpose of making such other orders and decrees as may become necessary to make effective the relief hereinbefore granted.

14. That the petitioner recover its costs.

New York, December 9, 1926.

(Signed) FRANCIS A. WINSLOW,  
United States District Judge.

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We consent to the entry of the foregoing decree, and waive notice of taxation of costs.

RAND KARDEX BUREAU, INC.,  
by (Signed) C. P. FRANCHOT,  
Vice-President and General Counsel.  
(Signed) WEBB, PATTERSON & HADLEY,  
Attorneys.

RAND KARDEX COMPANY, INC.,  
by (Signed) C. P. FRANCHOT,  
Vice-President and General Counsel.  
(Signed) WEBB, PATTERSON & HADLEY,  
Attorneys.

THE GLOBE WERNICKE COMPANY,  
HENRY C. YEISER, JR.,  
E. Z. BLAGG,  
by (Signed) WEBB, PATTERSON & HADLEY,  
(Signed) JOHN B. HOLLISTER,  
Attorneys.

JAMES H. RAND,  
JAMES H. RAND, JR.,  
STANLEY M. KNAPP,  
by (Signed) WEBB, PATTERSON & HADLEY,  
(Signed) C. P. FRANCHOT,  
Attorneys.

THE FOURTH & CENTRAL TRUST COMPANY,  
for itself and all holders of certificates  
of deposit who have filed authority with it.  
by (Signed) WEBB, PATTERSON & HADLEY,  
(Signed) JOHN B. HOLLISTER,  
Attorneys.

(Signed) H. C. YEISER.