APPENDIX A:

UNITED STATES v. STANDARD OIL CO. OF CAL. ET AL.

CIVIL NO. 6159-Y

JUDGMENT ENTERED JUNE 30, 1948

U. S. vs. STANDARD OIL COMPANY OF CALIFORNIA and STANDARD STATIONS, INC.

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF CALIFORNIA
CENTRAL DIVISION

No. 6159-Y

UNITED STATES OF AMERICA, PLAINTIFF

VS.

STANDARD OIL COMPANY OF CALIFORNIA and STANDARD STATIONS, INC., DEFENDANTS

FINAL JUDGMENT

The court having rendered its opinion herein on June 7, 1948; having duly considered the proposals of the parties as to its judgment, and having filed its findings of fact and conclusions of law, wherein the defendants herein were found to have violated Section 1 of the Act of Congress of July 2, 1890, as amended, commonly known as the Sherman Act, and Section 3 of the Act of Congress of October 15, 1914, as amended, commonly known as the Clayton Act,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

I

As used herein, "Standard" refers to the defendant Standard Oil Company of California; "Standard Stations" refers to the defendant Standard Stations, Inc.

As used herein, the term "retail outlet" refers to any service station or garage at which "petroleum products" and/or "automotive accessories" manufactured or "sponsored by" defendant Standard or Standard Stations are sold or distributed by an "independent dealer."

As used herein, the term "independent dealer" refers to the operator of any "retail outlet" who operates such retail outlet as an independent business enterprise and not as an employee or agent of defendant Standard or Standard Stations.

As used herein, the term "petroleum products" refers to products obtained or manufactured from natural gases or crude oil by any process and sold or used as a fuel or lubricant for automotive vehicles, together with miscellaneous oils and compounds derived from such natural gases or crude oils and designated for various specific uses and includes such petroleum products as are manufactured or "sponsored by" defendants and sold by defendants "Standard" or "Standard Stations" at any retail outlet operated by said defendants or either of them.

As used herein, the term "automotive accessories" refers to replacement parts and articles other than "petroleum products" used on or in the servicing or repairing of automotive vehicles and includes tires, tubes, batteries, spark plugs, oil filters, oil filter cartridges, fan belts, battery cables, auto lamp bulbs, fuses, windshield wipers and blades, tire repair and vulcanizing kits, anti-freeze preparations, tire chains, waxes and polishes and other like items and includes such "automotive accessories" as are manufactured or "sponsored by" defendants and sold by defendants "Standard" or "Standard Stations" at any retail outlet operated by said defendants or either of them.

The term "sponsored by" as used herein, refers to petroleum products and/or "automotive accessories" which are not manufactured or produced by defendants "Standard" and/or "Standard Stations."

II

Defendants Standard and Standard Stations have entered into contracts which unreasonably restrain interstate trade and commerce in petroleum products and automotive accessories in violation of Section 1 of the Act of Congress of July 2, 1890, as amended, 26 Stat. 209; 15 U.S.C. 1, commonly known as the Sherman Act.

III

Defendants Standard and Standard Stations have entered into contracts which substantially lessen competition and tend to create a monopoly in the sale and distribution of petroleum products and automotive accessories in violation of Section 3 of the Act of Congress of October 15, 1914, as amended, 38 Stat. 731; 15 U.S.C. 14, commonly known as the Clayton Act.

IV

All of the provisions of any Dealer Agreement (Government's Exhibit No. 1), Distributor Agreement (Government's Exhibit No. 2), Petroleum Products and Equipment Agreement (Government's Exhibit No. 3), Dealer Agreement TBA (Government's Exhibit No. 4), Sublease Agreement (Government's Exhibit No. 5), and all provisions of like or similar import or effect either express or implied in any other agreement or instrument between defendants Standard and/or Standard Stations and any independent dealer which contains the condition, agreement or understanding that said independent dealer shall purchase or acquire for sale all his requirements of petroleum products and/or automotive accessories which are used or sold or bought to be used or sold by said independent dealer at a retail outlet from dependents, or either of them, are hereby adjudged unlawful and declared illegal and void. This declaration of illegality does not extend to other and separable provisions of said agreements or subleases which do not contain any such or similar condition, agreement or understanding.

V

All of the provisions of any oral agreement, arrangement or understanding between defendants Standard and/or Standard Stations and any independent dealer which contain the condition, agreement, or understanding, expressed or implied, that said independent dealer shall purchase or acquire for sale all his requirements of petroleum products and/or automotive accessories which are used or sold, or bought to be used or sold by said independent dealer at a retail outlet from defendants, or either of them, are hereby adjudged unlawful and declared illegal and void. This declaration of illegality does not extend to other and separable provisions of any agreements or subleases which do not contain any such or similar condition, agreement or understanding.

VI

The defendants Standard and Standard Stations, their successors or assigns and their officers, directors, agents, representatives, and all persons or corporations acting or

claiming to act on their behalf be and they are hereby perpetually enjoined from entering into, or enforcing the provisions of any contract, agreement, or understanding, written or oral, expressed or implied, with any independent dealer or from inducing or compelling, or attempting to induce or compel, by any means whatever, any independent dealer to enter into any contract, agreement, or understanding, written or oral, express or implied, which requires:

(a) an independent dealer to secure all of his requirements of petroleum products from defendants or either of them or which prevents him from handling or acquiring for sale petroleum products from sources other than the defendants;

(b) an independent dealer to secure all of his requirements of any one or more automotive accessories from or through defendants or either of them, or which prevents him from handling or acquiring for sale any automotive accessories from sources other than defendants.

VII

Defendants Standard and Standard Stations, their successors or assigns, and their officers, directors, agents, representatives and all persons or corporations acting or claiming to act on their behalf be and they are hereby perpetually enjoined from selling or attempting to sell any petroleum products or any automotive accessories to any independent dealer on the condition

(a) that said independent dealer shall purchase other petroleum products or automotive accessories from the defendants, or either of them;

(b) that said independent dealer shall not handle or sell at a retail outlet petroleum products and/or automotive accessories other than those sold or sponsored by defendants.

VIII

Within sixty days after this judgment shall become operative and go into effect, defendants shall send written notice by registered mail to each independent dealer with whom a defendant then has existing written or oral contractual relations of the provisions of this decree in such form as is first approved by the attorneys for the plaintiff or by the court in the event the attorneys for the plaintiff and the defendants are unable to agree on the form of such written notice.

IX

Nothing contained in this judgment shall enjoin or restrain either defendant from selling or contracting to sell petroleum products and/or automotive accessories including such products as are sponsored by defendants, to independent dealers on the condition that any pump or tank or other container or receptacle for such products, furnished by defendant and marked as such to an independent dealer, shall be used solely for the storing, handling or dispensing of defendant's petroleum products and to prescribe by agreement or regulations not inconsistent with the provisions of this decree, for the storage, handling, or dispensing of such products.

X

Nothing contained in this judgment shall enjoin or restrain either defendant from freely selecting independent dealers to whom it will sell or contract to sell any petroleum products or automotive accessories including any such products sponsored by defendant or from declining or refusing to sell or contract to sell any petroleum products or automotive accessories including any such products sponsored by defendants, to any independent dealer provided such refusal to deal on the part of the defendants or either of them is not based on the refusal of the independent dealer to accept conditions prohibited by this decree.

XI

The enforcement of this judgment is stayed until the expiration of six (6) months from the date of the entry of this judgment and, in the event an appeal is taken from this judgment or any part thereof, the enforcement of this judgment is stayed until the expiration of six (6) months from the date such appeal is finally determined.

XII

For the purpose of securing compliance with this judgment and for no other purpose, any duly authorized representative or 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 notice reasonable as to time and subject matter to either or both defendants, made to its principal office at San Francisco, California, and subject to any legally recognized privilege, be permitted (1) access in the presence of defendant's counsel or other representative during the office hours of said defendant to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of said defendant relating to any matters contained in this judgment; (2) subject to the reasonable convenience of said defendant and without restraint or interference from it, to interview officers or employees of such defendant, who may have counsel present, regarding such matters, provided, however, that no information obtained by the means provided in this paragraph shall be divulged by the Department of Justice to any person other than a duly authorized representative of such Department except in the course of legal proceedings to which the United States is a party for the purpose of securing compliance with this judgment or as otherwise required by law.

XIII

Jurisdiction of this cause is retained for the purpose of enabling any of the parties to this judgment to apply to the Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this judgment, for the amendment, modifications or termination of any of the provisions thereof, for the enforcement of compliance herewith and for the punishment of violations thereof.

XIV

Judgment is entered against the defendants for all costs to be taxed in this proceeding.

/s/ LEON R. YANKWICH
United States District Judge

Dated: June 30, 1948.