UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

v.

AMERICAN ASSOCIATION OF ADVERTISING AGENCIES, INC.;
THE AMERICAN TYPOGRAPHER PUBLISHERS ASSOCIATION, INCORPORATED;
PUBLISHERS ASSOCIATION OF NEW YORK CITY;
ASSOCIATED AGENCIES PUBLICATIONS, INC.;
PERIODICAL PUBLISHERS ASSOCIATION OF AMERICA; and
AGRICULTURAL PUBLISHERS ASSOCIATION,

Defendants.

Civil Action
No. 100-309

FINAL JUDGMENT

Plaintiff, United States of America, having filed its complaint herein on May 12, 1955; defendant, Publishers' Association of New York City (hereinafter referred to as consenting defendant) having appeared herein and having filed its answer in which it denies the offenses charged in such complaint and having asserted the truth of its answer and its innocence of any violation of law; and no testimony having been taken and the plaintiff and said defendant by their respective attorneys having consented to the making and entry of this Final Judgment without trial or adjudication of any issue of fact or law herein and without any findings of fact, and the Court having considered the matter and being duly advised,

NOW, THEREFORE, upon the consent as aforesaid of the parties hereto,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

I

This Court has jurisdiction of the subject matter hereof and of the plaintiff and consenting defendant. The complaint

states a claim against said defendant under Section 1 of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopoly", as amended, commonly known as the Sherman Act.

II

As used in this Final Judgment:

(A) "Advertising agency" shall mean any person, firm or corporation engaged in the business of developing, servicing and placing national advertising in newspapers.

(B) "National advertising" shall mean the advertising of products or services through newspapers on a national or broad sectional basis.

(C) "Media" shall mean the several instrumentalities used in publishing national advertising including but not restricted to newspapers, magazines, radio and television.

(D) "Agency commission" shall mean the amount allowed by newspapers to advertising agencies when placing national advertising for advertisers in newspapers.

(E) "Credit rating" means a rating based upon relevant information as to the moral responsibility and financial status of the rated advertising agency, without reference to whether the rated agency rebates or splits agency commissions.

III

The provisions of this Final Judgment shall apply to consenting defendant and its subsidiaries, successors and assigns, to each of its officers, agents, servants and employees and to any committee or groups of consenting defendant's membership when organized and functioning as committees or groups of consenting defendant, and to all other persons in active concert or participation with it who receive actual notice of this Final Judgment by personal service or otherwise.

IV

(A) Consenting defendant is enjoined and restrained from entering into, adhering to, promoting or following any course of conduct, practice or policy, or any agreement or understanding:

(1) Establishing or stabilizing agency commissions, or attempting so to do;

(2) Requiring, urging or requesting any advertising agency to refrain from rebating or splitting agency commissions;

(3) Requiring, urging or requesting any media to deny or limit credit or agency commission due or available to any advertising agency;

(4) Establishing or formulating, or attempting to establish or formulate, any standards of conduct or other qualifications to be used by any media or any association of media to determine whether media should or should not do business with or recognize any advertising agency;

(5) Requiring, urging or requesting any media not to do business with or not to recognize any advertising agency;

(6) Establishing or stabilizing advertising rates to be charged advertisers not employing an advertising agency, or attempting so to do;

(7) Requiring, urging or requesting any media to adhere to published advertising rates or rate cards.

(B) Consenting defendant is enjoined and restrained from requiring, urging or requesting any of its members to engage in any activities covered by Paragraphs (1) through (7) of subsection (A) of this Section IV.

(C) Nothing contained in this Final Judgment shall be construed to prohibit members of consenting defendant from severally taking any action decided to consenting defendant by virtue of this Final Judgment; nor shall this Final Judgment be construed to prohibit consenting defendant from:

(1) Acquainting its members and others with the nature, background, and responsibility and financial status, functions and activities, or proposed functions and activities, of media, advertisers or advertising agencies so long as such activity is not contrary to any of the provisions of subsections (A) or (B) of this Section IV;

(2) Where necessary or appropriate in proceedings conducted by Federal, State or Local Governments or any Court, participating in such proceedings in any manner;

(3) Furnishing credit ratings to its members, provided that so long as consenting defendant assigns a credit rating to any advertising agency, consenting defendant is enjoined and restrained from refusing to rate any advertising agency which applies in writing for a rating and in connection therewith submits verified information requested by consenting defendant appropriate to determine the rating for such an applicant and which applicant, as demonstrated to consenting defendant: (i) itself assumes sole liability for the full performance of its contracts with newspapers; (ii) makes prompt payments; (iii) is morally responsible; (iv) is an advertising agency which does or is about to develop, service and place national advertising in any newspaper which is a member of consenting defendant; and (v) maintains a minimum of 25 per cent of its average monthly billing in liquid capital and surplus.

V

Consenting defendant is ordered and directed to:

(A) Within ninety days of the entry of this Final Judgment take such action as may be necessary to make its rules, regulations, forms, policies and practices conform to the terms of this Final Judgment;

(B) Within ninety days after the entry of this Final Judgment mail to each of its members a copy thereof and copies of such other documents of consenting defendant which have been modified in compliance with the provisions thereof;

(C) Supply a copy of this Final Judgment to each new member of consenting defendant at the time he becomes a member.

VI

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

DATED: May [illegible] 1956

United States District Judge

We hereby consent to the making and entry of the foregoing Final Judgment:

For the Plaintiff:

Assistant Attorney General

W. D. Gilgore, Jr.

For the Defendant:
PUBLISHERS' ASSOCIATION OF NEW YORK CITY

CIVIL ACTION NO. 100-309

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Defendants.

FINAL JUDGMENT

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To _____, Esq.

Attorney for _____