

William C. Dixon, Special Assistant to the Attorney General
Lawrence W. Somerville, Special Attorney
Theron M. Hall, Special Attorney
Theodore M. Alexander, Special Attorney
T. Keister Greer, Special Attorney
Antitrust Division, Department of Justice
1602 U. S. Postoffice and Courthouse
Los Angeles 12, California
Madison 7411, Extension 285

LODGED
JUL 23 1951

EDMUND L. SMITH, Clerk
By /s/ John A. Childress
Deputy Clerk

Attorneys for the Plaintiff

JUDGMENT
DOCKETED AND ENTERED
AUG 3 1951

FILED
AUG 2-1951

IN THE UNITED STATES DISTRICT COURT
EDMUND L. SMITH, Clerk
/s/ C. A. Simmons SOUTHERN DISTRICT OF CALIFORNIA
Deputy Clerk

EDMUND L. SMITH, Clerk
By /s/ C. A. Simmons
Deputy Clerk

CENTRAL DIVISION

UNITED STATES OF AMERICA,)	<u>C O P Y</u>
)	
Plaintiff,)	Civil Action No. 6896-Y
)	
v.)	
)	
RICHFIELD OIL CORPORATION,)	<u>FINAL JUDGMENT</u>
)	
Defendant.)	

The Court having rendered its opinion herein on July 2, 1951; 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 defendant herein was 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 Clayton Act,

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

I

As used herein, "Richfield" refers to the defendant Richfield Oil Corporation.

As used herein, the term "retail outlet" refers to any service station at which "petroleum products" and/or "automotive accessories" manufactured

or "sponsored by" Richfield 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 Richfield.

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" Richfield and sold by Richfield to an independent dealer and by him resold to the user or consumer at a retail outlet.

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, antifreeze preparations, tire chains, waxes and polishes and other like items, and includes such "automotive accessories" as are manufactured or "sponsored by" Richfield and sold or otherwise distributed by it to an independent dealer and by him resold to the user or consumer at a retail outlet.

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

II

Richfield has entered into contracts consisting of written and oral agreements and understandings 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

Richfield has entered into contracts consisting of written and oral agreements and understandings, the effect of which has been to 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 written or oral agreement or understanding between Richfield and any independent dealer, including any written or oral agreement or understanding between Richfield and any independent dealer operating a retail outlet under an "L-O, "3-C," or "337" type of arrangement, and all provisions of like or similar import or effect, either expressed or implied, in any other written or oral agreement or understanding between Richfield and any independent dealer which contains the condition, agreement, or understanding that said independent dealer shall purchase or acquire for sale all of 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 or through defendant or any of its representatives, are hereby adjudged unlawful and declared illegal and void.

V

Richfield, its successors or assigns, its officers, directors, agents, representatives, and all persons and corporations acting or claiming to act on its behalf, 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 (including any independent dealer operating a retail outlet under an L-0, 3-C, or 337 type of arrangement with defendant) or from inducing or compelling or attempting to induce or compel, by any means whatsoever, any independent dealer (including any independent dealer operating a retail outlet under an L-0, 3-C, or 337 type of arrangement with defendant) to enter into any contract, agreement, or understanding, written or oral, expressed or implied, or of any kind whatsoever, which has the purpose or effect or which provides:

(a) that the independent dealer shall secure all of his requirements of any petroleum product from or through Richfield or shall not handle the petroleum product of any other company;

(b) that the independent dealer shall secure all of his requirements of any one or more automotive accessories or types of automotive accessories from or through Richfield, or will not handle automotive accessories competitive with those distributed or sponsored by defendant or which prevent him from handling or acquiring for sale any automotive accessory or type of accessory from or through sources other than defendant;

(c) that the sale of any petroleum product or automotive accessory by Richfield to any independent dealer shall be con-

ditioned on the handling by the independent dealer of petroleum products or automotive accessories manufactured or sponsored by the defendant.

VI

Richfield, its successors or assigns, its officers, directors, agents, representatives, and all persons and corporations acting or claiming to act on its behalf, are hereby perpetually enjoined from exercising the 24-hour termination clause contained in any lease which it now has with or which is in effect between itself and any independent dealer operating a retail outlet under an L-O type of arrangement with defendant, and is perpetually enjoined from cancelling any lease which it now has with or which may be in effect between itself and any independent dealer operating a retail service station under the L-0 type of arrangement on less than 30 days' written notice to any such dealer. Such 30-day cancellation privilege may be exercised by defendant only for a breach of any of the written covenants contained in any written lease entered into between Richfield and an independent dealer operating a retail outlet under the L-0 type of arrangement and by written notice sent by registered mail to such dealer advising him of such alleged breach and notice of cancellation therefor. A copy of any such written notice of cancellation shall be sent by registered mail to the Attorney General of the United States or to his duly authorized representative designated by the Attorney General in writing to Richfield at the time said written notice of cancellation is sent to such dealer by defendant.

VII

Within sixty days after this judgment shall become operative and go into effect, Richfield shall send written notice by registered mail to

each independent dealer with whom it 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 Richfield are unable to agree on the form of such written notice.

VIII

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.

For the purpose of securing compliance with this judgment the defendant, ^a /upon the written request of the Attorney General or the Assistant Attorney General, shall submit such reports with respect to matters contained in this judgment as may from time to time be necessary for the enforcement of the judgment, and ^b /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 Richfield, made to its principal office at Los Angeles, 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.

X

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, modification, or termination of any of the provisions thereof, for the enforcement of compliance herewith and for the punishment of violations thereof.

XI

Judgment is entered against the defendant for all costs to be taxed in this proceeding. (Costs taxed at \$11,731.24)

Dated: August 2, 1951

/s/ Leon R. Yankwich
United States District Judge

Approved as to form

William C. Dixon
Special Assistant to the
Attorney General
Lawrence W. Somerville
Special Attorney
Theron M. Hall
Special Attorney
Theodore M. Alexander
Special Attorney
T. Keister Greer
Special Attorney

William J. DeMartini
Krystal & Paradise
Robert E. Paradise

By _____
Attorneys for Defendant

By /s/ Lawrence W. Somerville
Attorneys for Plaintiff