

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, :

Plaintiff, :

v. : 70 Civ. 1312 (I.B.W.)

HEALTHCO, INC., :

Defendant. :

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FINAL JUDGMENT

Plaintiff, United States of America, having filed its complaint herein, on April 2, 1970, and after a full trial on all issues and the Court having rendered its opinion, findings of fact and conclusions of law herein on January 14, 1975:

NOW, THEREFORE, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

I.

This Court has jurisdiction of the subject matter herein and the parties hereto.

The effect of the acquisitions by Healthco, Inc. (Healthco) of the assets of General Dental Supply Co., Inc. (General), M.A. Sechter Dental Equipment & Supply Co., Inc. (Sechter), Hebard Dental Supply Co., Inc. (Hebard Dental) and Hebard-Metro Dental Co., Inc. (Hebard-Metro) may be substantially to lessen competition in the sale of dental equipment by dental dealers in Metropolitan New York, in violation of Section 7 of the Clayton Act (15 U.S.C. § 18), as amended.

II.

As used in this Final Judgment:

(A) "Dental equipment" shall mean dental units, dental chairs, dental X-ray units, dental cabinets and dental lighting equipment.

(B) "Manufacturers' lines" shall mean those items of dental equipment manufactured by the following companies:

1. Ritter Company, Rochester, New York
2. S.S. White Company, Philadelphia, Pennsylvania
3. General Electric Company - Dental X-ray Division, Milwaukee, Wisconsin
4. Weber Company, Canton, Ohio
5. Valtronic Corporation, Bronx, New York
6. Dental Eze Company, Des Moines, Iowa
7. Costal Dynamics Corporation, Santa Monica, California
8. Chayes Dental Company, Danbury, Connecticut
9. Mid-West American Dental Manufacturing Company, Chicago, Illinois
10. American Cabinet Company, Two Rivers, Wisconsin
11. Phillips Medical Systems, Shelton, Connecticut
12. Pelton & Crane Company, Charlotte, North Carolina
13. Star Dental Manufacturing Company, Philadelphia, Pennsylvania

(C) "Dental Equipment Specialists" shall mean those employees of Healthco who are now employed to sell manufacturers lines of equipment at Healthco's dental dealerships located in New York City(Rower Dental Supply); Hackensack, New Jersey (M. A. Sechter Dental Supply); Syosset, Long Island, New York (Hebard-Metro Dental Supply); and White Plains, New York (Hebard Dental Supply) or the successors of those employees who may be so employed on the date of the divestiture ordered in Section IV of this Final Judgment.

III.

The provisions of this Final Judgment shall apply to defendant, its officers, directors, agents and employees, and to each of its subsidiaries, successors, and assigns, and to each of their respective officers, directors, agents and employees, and to all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment.

IV.

Defendant is ordered and directed within ^{twelve} ~~fifteen~~ ¹² ~~15~~ months from the date of entry of this Final Judgment to divest itself of the Dental Equipment Corporation to be established pursuant to Section V of this Final Judgment.

V.

(A) Within one hundred-twenty (120) days from the entry of this Final Judgment, defendant is directed to offer to establish and sell a Dental Equipment Corporation constituted as follows:

1. The building currently occupied by Healthco's Rower Division located at 331 West 44th Street, New York and all facilities there maintained to operate the dental equipment service and repair department at that building.

2. All employees who as of the date of this Final Judgment are employed as service and repair personnel at Healthco's Rower Division.

3. All Dental Equipment Specialists employed by Healthco as of the date of entry of this Final Judgment.

4. A list of all those dentists who are dental equipment customers assigned to each Dental Equipment Specialist as of the date of entry of this Final Judgment.

5. Transfer to said Corporation rights to sell and distribute the dental equipment lines referred to above and Healthco is directed to use its best efforts to facilitate the buyer's ability to obtain such manufacturers' lines.

(B) Healthco shall make known the availability for sale of the Dental Equipment Corporation to be divested by the usual and ordinary means for the sale of a business.

(C) Healthco is enjoined and restrained from reacquiring the Dental Equipment Corporation or assets divested pursuant to this Final Judgment, provided, however, that Healthco may retain a bona fide security interest in such Corporation or assets given to secure the payment of the purchase price therefor, and if Healthco should thereafter reacquire the Corporation or assets, Healthco is ordered to divest such reacquired Corporation or assets in accordance with the provisions of this Final Judgment within one (1) year from such reacquisition;

VI.

Upon the written request submitted to Healthco by the buyer of the Dental Equipment Corporation established pursuant to this Final Judgment, Healthco is directed and ordered for a period of two (2) years from the date of divestiture to refrain from soliciting sales of the manufacturers' lines of dental equipment from those customer of Dental Equipment Specialists contained in the customer

list prepared pursuant to Section V(A)(4) of this Final Judgment.

VII.

Healthco is enjoined and restrained for a period of five (5) years from the date of entry of this Final Judgment from acquiring directly or indirectly, any financial interest in a dental dealership which sells manufacturers' lines of dental equipment, as defined herein, located within Metropolitan New York without prior approval of this Court and upon notice to this Court and upon notice to the plaintiff.

VIII.

Within ninety (90) days of entry of this Final Judgment and for every two (2) months thereafter, Healthco shall file written reports with the plaintiff setting forth steps taken to comply with Sections IV and V of this Final Judgment.

IX.

For the purpose of determining or securing compliance with this Final Judgment, 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 the defendant made to its principal office, be permitted, subject to any legally recognized privilege, and subject to the presence of counsel if so desired;

(1) Access during its office hours to all books, ledgers, accounts, correspondence, memoranda, and other

records and documents in the possession of or under the control of the defendant relating to any matters contained in this Final Judgment; and

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

Defendant, upon such written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, shall submit such written reports to the Department of Justice with respect to any matter contained in this Final Judgment as may be requested from time to time. No information obtained by the means provided in this Section IX 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 determining or securing compliance with this Final Judgment or as otherwise required by law.

X.

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 modification of any of the provisions thereof, for the enforcement of compliance therewith, and for the

punishment of violations thereof.

XII.

Each party shall bear its own costs in this matter.

Dated: April 3, 1975

James B. Wyatt
UNITED STATES DISTRICT COURT