IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

A&L MAYER ASSOCIATES, INC.;
A&L MAYER, INC.; and
FIBRAS SALTILLO, S.A. DE C.V.,

Defendants.

CLERK OF COURT

Civ. 96-CV-4044

Entered: August 16, 1996

FINAL JUDGMENT

Plaintiff, the United States of America, filed its complaint on May 30, 1996. Plaintiff and defendants, by their respective attorneys, have consented to the entry of this final judgment without trial or adjudication of any issue of fact or law. This Final Judgment shall not be evidence against or an admission by any party to any issue of fact or law. Defendants have agreed to be bound by the provisions of this Final Judgment pending its approval by the Court.

THEREFORE, before the taking of any testimony and without trial or adjudication of any such issue of fact or law herein, and upon consent of the parties, it is hereby ORDERED, ADJUDGED, AND DECREED as follows:

I

JURISDICTION

This Court has jurisdiction of the subject matter of this action and of each of the parties consenting hereto. The complaint states a claim upon which relief may be granted

against defendants under Section 1, of the Sherman Act, 15 U.S.C. § 1.

II

DEFINITIONS

As used in this final judgment:

A. "Agreement" means any contract, agreement or understanding, whether oral or written, or any term or provision thereof.

B. "Person" means any individual, corporation, partnership, company, sole proprietorship, firm or other legal entity.

C. "Tampico fiber" is a natural vegetable fiber produced by the lechuguilla plant and grown in the deserts of northern Mexico. It is harvested by individual farmers, processed, finished and exported to the United States and worldwide where it is used as brush filling material for industrial and consumer brushes. It is available in natural white, bleached white, black, gray and a wide variety of mixtures.

D. "Resale price" means any price, price floor, price ceiling, price range, or any mark-up, formula or margin of profit relating to tampico fiber sold by distributors.

III

APPLICABILITY

A. This final judgment applies to each of the defendants and to their officers, directors, agents, employees, subsidiaries, successors and assigns, and to all other persons in

active concert or participation with any of them who shall have received actual notice of this final judgment by personal service or otherwise.

B. Each defendant shall require, as a condition of any sale or other disposition of all, or substantially all, of its stock or assets used in the manufacture and/or sale of tampico fiber, that the acquiring party/parties agree to be bound by the provisions of this final judgment, and that such agreement be filed with the Court.

IV

PROHIBITED CONDUCT

As to tampico fiber imported into or sold in the United States, each defendant is enjoined and restrained from:

A. directly or indirectly entering into, adhering to, maintaining, furthering, enforcing or claiming any rights under any contract, agreement, arrangement, understanding, plan, program, combination or conspiracy with any other processor of tampico fiber or any of such processor's distributors for:

(1) raising, fixing, or maintaining the prices or other terms or conditions for the sale or supply of tampico fiber;

(2) allocating sales volumes, geographic markets or customers for tampico fiber;

(3) taking concerted action to discourage or eliminate new entrants into the tampico fiber market; and

(4) taking concerted action to restrict or eliminate the supply of tampico fiber to any customer;

B. directly or indirectly entering into, adhering to, maintaining, furthering, enforcing or claiming any right under any contract, agreement, understanding, plan or program with any distributor to fix or maintain the prices at which tampico fiber sold by defendants may be resold or offered for sale by any distributor;

C. directly or indirectly adopting, promulgating, suggesting, announcing or establishing any resale pricing policy for tampico fiber;

D. threatening any distributor with termination or terminating any distributor on the basis of that distributor's pricing; or discussing with any present or potential distributor any decision regarding termination of any other distributor for any reason directly or indirectly related to the latter distributor's resale pricing; provided, however, that nothing herein shall prohibit any defendant from terminating a distributor for any reason other than the distributor's resale pricing; and

E. participating or engaging directly or indirectly through any trade association, organization or other group in any activity which is prohibited in IV (A)-(D) above.

V

PERMITTED COMMUNICATION

Other than Section IV(A) of this Final Judgment, nothing contained in this final judgement shall prohibit a defendant from negotiating, arranging or communicating with another processor of tampico fiber, or any of such processor's distributors or with any agent, broker or representative of such processor or distributor solely in connection with bona fide proposed or actual purchases of tampico fiber from, or sale of tampico fiber to, that processor or distributor.

VI

COMPLIANCE PROGRAM

Each defendant shall establish within thirty (30) days of entry of this final judgment and shall thereafter for so long as it or its employees are engaged in the manufacture or sale of tampico fiber, maintain a program to insure compliance with this final judgment, which program shall include at a minimum the following:

A. designating an Antitrust Compliance Officer responsible, on a continuing basis, for achieving compliance with this final judgment and promptly reporting to the Department of Justice any violation of the final judgment;

B. within sixty (60) days after the date of entry of this final judgment, furnishing a copy thereof to each of its own, its subsidiaries', and its affiliates' (1) officers, (2) directors, and (3) employees or managing agents who are engaged in, or have

responsibility for or authority over, the pricing of tampico fiber; and advising and informing each such person that his or her violation of this final judgment could result in a conviction for contempt of court and imprisonment and/or fine;

C. within seventy five (75) days after the date of entry of this final judgment, certifying to the plaintiff whether it has designated an Antitrust Compliance Officer and has distributed the final judgment in accordance with Sections VI (A) and (B) above;

D. within thirty (30) days after each such person becomes an officer, director, employee or agent of the kind described in Section VI (B), furnishing to him or her a copy of this final judgment together with the advice specified in Section VI (B);

E. annually distributing the final judgment to each person described in Sections VI (B) and (D);

F. annually briefing each person described in Sections VI (B) and (D) as to the defendant's policy regarding compliance with the Sherman Act and with this final judgment, including the advice that such defendant will make legal advice available to such persons regarding any compliance questions or problems;

G. annually obtaining (and maintaining) from each person described in Sections VI (B) and (D) a certification that he or she:

(1) has read, understands, and agrees to abide by the terms of this final judgment;

(2) has been advised of and understands the company's

policy with respect to compliance with the Sherman Act and the final judgment;

(3) has been advised and understands that his or her non-compliance with the final judgment may result in conviction for criminal contempt of court and imprisonment and/or fine; and

(4) is not aware of any violation of the final judgment that has not been reported to the Antitrust Compliance Officer; and

H. on or about each anniversary date of the entry of the final judgment, submitting to the plaintiff an annual declaration as to the fact and manner of its compliance with this final judgment.

VII

INSPECTION AND COMPLIANCE

For the purpose of determining or securing compliance with this final judgment and subject to any legally recognized privilege, from time to time:

A. duly authorized representatives of the Department of Justice shall, upon written request of the Attorney General or of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to a defendant made to its principal office, be permitted:

(1) access, during office hours of such defendant, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of such defendant, which may have counsel

present, relating to any matters contained in this final judgment; and

(2) subject to the reasonable convenience of such defendant and without restraint or interference from it, to interview officers, employees and agents of such defendant, who may have counsel present, regarding any such matters;

B. upon the written request of the Attorney General or of the Assistant Attorney General in charge of the Antitrust Division made to a defendant's principal office, such defendant shall submit such written reports, under oath if requested, with respect to any of the matters contained in this final judgment, as may be requested;

C. no information or documents obtained by the means provided in this Section VII of the final judgment 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 United States, except in the course of legal proceedings to which the United States is a party, or for the purpose of securing compliance with this final judgment, or as otherwise required by law;

D. if at the time information or documents are furnished by a defendant to plaintiff, such defendant represents and identifies in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and such defendant marks each pertinent page of such material, "Subject to

claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then ten (10) days notice shall be given by plaintiff to such defendant prior to divulging such material in any legal proceeding (other than a grand jury proceeding) to which such defendant is not a party; and

E. nothing set forth in this final judgment shall prevent the Antitrust Division from utilizing other investigative alternatives, such as Civil Investigative Demand process provided by 15 U.S.C. §§ 1311-1314 or a federal grand jury, to determine if the defendant has complied with this final judgment.

VIII

RETENTION OF JURISDICTION

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 or 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 hereof, for the enforcement of compliance herewith, and for the punishment of violations hereof.

IX

TEN-YEAR EXPIRATION

This final judgment will expire on the tenth anniversary of its date of entry.

X

PUBLIC INTEREST

Entry of this final judgment is in the public interest.

Dated: 8/16/96

UNITED STATES DISTRICT JUDGE