

Modified Order

69 F.T.C.

IN THE MATTER OF

FRUEHAUF TRAILER COMPANY*

MODIFIED ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 7 OF THE CLAYTON ACT AND THE FEDERAL TRADE COMMISSION ACT

Docket 6608. Complaint, Aug. 17, 1956—Decision, Feb. 11, 1966

Modified divestiture order, in compliance with the final order of the Court of Appeals, Seventh Circuit, of January 21, 1966, requiring respondent to divest itself within 1 year of its Strick Trailers Division which was acquired in 1956, Strick must be restored as a going concern and effective competitor in all lines of commerce in which it was engaged immediately prior to its acquisition by respondent, and forbidding respondent from acquiring any other manufacturer of truck trailers for 10 years without approval of the Commission;

Divestiture order of May 28, 1965, 67 F.T.C. 878, required respondent to divest itself of Strick plus the Hobbs Manufacturing Co. of Fort Worth, Texas, and Hobbs Trailer and Equipment Co. of Dallas, Texas, which it acquired in 1955.

MODIFIED ORDER

Fruehauf Corporation, having filed in the United States Court of Appeals for the Seventh Circuit on August 6, 1965, a petition to review and set aside the order of divestiture issued herein on May 28, 1965 [67 F.T.C. 878]; and the Commission and Fruehauf Corporation, having subsequently agreed upon a plan of divestiture and upon the provisions of a final order modifying the order entered by the Commission on May 28, 1965; and the Court, on January 21, 1966, having issued its final order affirming and enforcing said order as submitted by the Commission and Fruehauf Corporation;

Now, therefore, it is hereby ordered, That the order of May 28, 1965, be, and it hereby is, modified in accordance with the final order of the Court to read as follows:

It is ordered, That

(A) Respondent, the Fruehauf Corporation, a corporation, and its officers, directors, agents, representatives, and employees shall, within one (1) year from the date of this order, divest itself absolutely, in good faith, of all assets of its Strick Trailers Division and such other assets as may be necessary to restore the Strick Company and Strick Plastics

*Now known as the Fruehauf Corporation.

Corporation as a going concern and effective competitor in all the lines of commerce in which it was engaged immediately prior to its acquisition by respondent.

As used in this order, "assets" shall include any properties, rights and privileges, tangible and intangible, including but not limited to all plants, machinery, equipment, contract rights, patents, licenses, trade names, trademarks and good will of whatever description.

(B) Pending divestiture, respondent shall not make any changes in any of the above-mentioned assets which impair their present capacity for the production, distribution, sale or financing of truck-trailers, or impair their market value, unless such capacity or value is restored prior to divestiture.

(C) Respondent in such divestiture shall not sell or transfer, directly or indirectly, any of the assets to be divested to anyone who at the time of divestiture owns or controls more than one percent (1%) of respondent's stock, or who is an officer, director, representative, employee or agent of, or under the control, influence or direction of respondent, or any of respondent's subsidiary or affiliated companies, or to anyone who is not approved in advance by the Federal Trade Commission.

(D) If respondent divests the assets, properties, rights and privileges, described in paragraph A of this order, to a new corporation or corporations, the stock of each of which is wholly owned by the Fruehauf Corporation, and if respondent then distributes all of the stock in said corporation or corporations to the stockholders of the Fruehauf Corporation, in proportion to their holding of the Fruehauf Corporation stock, then paragraph (C) of this order shall be inapplicable, and the following paragraphs (E) and (F) shall take force and effect in its stead.

(E) No person who is an officer, director, or executive employee of the Fruehauf Corporation, or who owns or controls, directly or indirectly, more than one (1) percent of the stock of the Corporation, shall be an officer, director or executive employee of any new corporation or corporations described in paragraph (D) or shall own or control, directly or indirectly, more than one (1) percent of the stock of any new corporation or corporations described in paragraph (D).

(F) Any person who must sell or dispose of a stock interest in the Fruehauf Corporation or the new corporation or

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corporations described in paragraph (D) in order to comply with paragraph (E) of this order may do so within six (6) months after the date on which distribution of the stock of the said corporation or corporations is made to stockholders of Fruehauf Corporation.

It is further ordered, That for a period of ten (10) years after the date of service of this Order upon respondent, respondent shall cease and desist from acquiring, directly or indirectly, through subsidiaries or otherwise, any interest in any concern engaged in the business of manufacturing truck trailers without the prior approval of the Federal Trade Commission.

It is further ordered, That respondent shall submit to the Commission on the first day of each calendar month a report in writing setting forth its progress in carrying out the divestiture requirement of this order until the divestiture has been completed with the approval of the Commission; and respondent shall submit to the Commission on the first day of each calendar year a report in writing setting forth its compliance with the cease and desist provisions of this order.
