

# Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. Lone Star Cadillac Company., U.S. District Court, N.D. Texas, 1963 Trade Cases ¶70,739, (May 10, 1963)

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United States v. Lone Star Cadillac Company.

1963 Trade Cases ¶70,739. U.S. District Court, N.D. Texas, Dallas Division, Civil Action No. 9277. Entered: May 10, 1963. Case No. 1712 in the Antitrust Division of the Department of Justice.

## Sherman Act

### Refusal to Deal—Automobile Distributor Competing With Dealer-Customers—Consent Judgment.—

An automobile distributor and retailer was prohibited under the terms of a consent judgment, from selling automobiles to dealers under agreements prohibiting the dealers from selling to retail customers in the distributor-dealer's area. Also, the distributor was prohibited from refusing to sell to competing dealers, and will have to notify all dealers that they are free to sell to any person.

For the plaintiff: Lee Loevinger, William D. Kilgore, Charles F. B. McAleer, Donald F. Melchior, Eugene Driker, and Lawrence F. Noble, Attorneys, Department of Justice.

For the defendant: Irion, Cain, Cocke & Magee, by M. R. Irion.

## Final Judgment

HUGHES, District Judge [ *In full text*]: The plaintiff, United States of America, having filed its complaint herein on September 24, 1962, the defendant having filed its answer denying the substantive allegations thereof, and the parties hereto by their respective attorneys having consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law herein;

NOW, THEREFORE, it is hereby

ORDERED, ADJUDGED AND DECREED as follows:

### I

This Court has jurisdiction of the subject matter of this action and of the parties hereto. The complaint states claims for relief against the defendant under Section 1 of the Act of Congress of July 2, 1890, as amended (15 U. S. C. Sec. 1), commonly known as the Sherman Act.

### II

As used in this Final Judgment:

(A) "Lone Star" shall mean the defendant Lone Star Cadillac Company with its present principal place of business in Dallas, Texas;

(B) "Person" shall mean any individual, partnership, firm, corporation, association or other business or legal entity;

(C) "Cadillac" shall mean a new motor vehicle manufactured by the Cadillac Motor Car Division of the General Motors Corporation under the brand name "Cadillac";

(D) "Distributor" shall mean any person who engages in the business of purchasing Cadillac automobiles from the manufacturer thereof for resale to dealers;

(E) "Dealer" shall mean any person who engages in the business of purchasing Cadillac automobiles for resale to consumers.

### III

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The provisions of this Final Judgment shall apply to the defendant and to each of its subsidiaries, successors, assigns, officers, directors, servants, employees and agents, and to all persons in active concert or participation with the defendant who receive actual notice of this Final Judgment by personal service or otherwise.

#### IV

Defendant Lone Star Cadillac Company is enjoined and restrained from:

- (A) Entering into, maintaining, adhering to, enforcing or claiming any rights under any contract, agreement or understanding with any dealer which limits or restricts, directly or indirectly, the persons to whom, the prices at which, or the territory within which such dealer may sell Cadillac auto mobiles;
- (B) Selling or offering to sell any Cadillac automobile to any dealer upon any condition or understanding which limits or restricts, directly or indirectly, the persons to whom, the prices at which, or the territory within which such dealer may sell Cadillac automobiles;
- (C) Refusing to accept or honor orders for Cadillac automobiles from any dealer or reducing the number of Cadillac auto mobiles allocated to any dealer or in any way penalizing or threatening to penalize any dealer because of the persons to whom, the prices at which, or the territory within which such dealer has sold or attempted to sell or intends to sell Cadillac automobiles.

#### V

Defendant Lone Star is ordered and directed within thirty (30) days from the date of entry of this Final Judgment to:

- (A) Terminate and cancel any provisions or terms of any contract, agreement or understanding, that is contrary to or inconsistent with any of the provisions of this Final Judgment;
- (B) Serve by mail upon each of its dealers a confirmed copy of this Final Judgment;
- (C) Notify each of its dealers by letter, in a form and content first approved by the Assistant Attorney General in charge of the Antitrust Division, that such dealer is free to sell Cadillac automobiles obtained from Lone Star to any person, at any price, and in any territory without restraint or interference by the defendant;
- (D) Notify each of its dealers by letter, a copy of which is to be supplied to the Assistant Attorney General in charge of the Antitrust Division, of the method and procedures followed by Lone Star in the allocation of Cadillac automobiles to its dealers.

#### VI

Defendant Lone Star is ordered and directed within thirty (30) days from the date of entry of this Final Judgment and at least once each month thereafter for as long as Lone Star remains a distributor, to report to each dealer the following information:

- (A) The number of Cadillac automobiles allocated by Cadillac Motor Car Division to Lone Star for distribution to such dealer;
- (B) The number of Cadillac automobiles Lone Star is willing to accept orders for from such dealer out of such allocation.

#### VII

For the purpose of securing compliance with this Final Judgment and for no other purpose, duly authorized representatives of the Department of Justice shall, on 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:

(A) Access, during the office hours of the defendant, to those books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of the defendant which relate to any matters contained in this Final Judgment;

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

Upon written request of the Attorney General, or the Assistant Attorney General in charge of the Antitrust Division, the defendant shall submit such reports in writing with respect to the matters contained in this Final Judgment as may from time to time be necessary to the enforcement of this Final Judgment.

#### VIII

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 amendment or modification of any of the provisions thereof, for the enforcement of compliance therewith, and for the punishment of violations thereof.