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FILED

MAR 31 2 11 PM '76  
CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
BY: \_\_\_\_\_

8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA

10  
11 UNITED STATES OF AMERICA, ) Civil Action No. 63-1552-WJF  
12 )  
13 Plaintiff, )  
14 v. ) STIPULATION AND ORDER  
15 )  
16 BLUE CHIP STAMP COMPANY, )  
17 et al., )  
18 Defendants. )  
19 \_\_\_\_\_ )

20 WHEREAS, the Final Judgment was entered herein by  
21 consent on June 5, 1967 "before the taking of any testimony  
22 and without trial or adjudication of any issue of fact or  
23 law herein and upon the consent of the parties hereto"; and

24 WHEREAS, Blue Chip Stamps was formed pursuant to the  
25 Final Judgment and a Plan of Reorganization approved by the  
26 Court; and is the publicly owned successor to defendant  
27 Blue Chip Stamp Company; and

28 WHEREAS, on March 5, 1969 Blue Chip Stamps entered its  
29 appearance in these proceedings and its consent to be bound  
30 by the applicable provisions of the Final Judgment; and

31 WHEREAS, Section IX of the Final Judgment required  
32 Blue Chip Stamps to present to the Court for its approval  
a plan to "offer for sale one-third of its then existing  
trading stamp business in the State of California"; and

1           WHEREAS, in response to the Court's letter of appointment  
2 dated March 15, 1973, Dean Harold M. Williams lodged his report  
3 dated May 29, 1975; and

4           WHEREAS, it appears from said report that:

5           1. The trading stamp market in California  
6 has changed significantly since entry of the  
7 Final Judgment;

8           2. Under present market conditions it is not  
9 feasible to implement the Government's Plan of Sale;

10           3. No other Plan of Sale is likely to achieve  
11 sale of one-third of Blue Chip Stamps' trading stamp  
12 business at the present time;

13           4. It is uncertain what the future trading  
14 stamp market in California will be;

15 it is accordingly,

16           STIPULATED AND AGREED, by and between the attorneys for  
17 the undersigned parties, that, subject to the Order of the  
18 Court:

19           1. The Final Judgment, with the exception of  
20 Section I, II, III, IV, VIII(B), VIII(C), X and XI,  
21 is hereby suspended.

22           2. Notwithstanding stipulation 1 above, the  
23 Government may move the Court at any time for an  
24 Order ending the suspension of Section IX of the  
25 Final Judgment and directing Blue Chip Stamps to  
26 comply therewith upon such terms as may be just  
27 under the conditions then existing and subject to  
28 the right of Blue Chip Stamps to oppose the granting  
29 of the motion.

30           3. Blue Chip Stamps shall submit quarterly  
31 reports on the state of its business generally, and  
32 its stamp service revenues specifically, and such

1 other information as the Government may require  
2 pursuant to this stipulation, to a duly authorized  
3 representative of the Government.

4 4. Notwithstanding the provisions of this  
5 stipulation, Blue Chip Stamps acknowledges its  
6 obligations under the Final Judgment, specifically  
7 including the obligation of sale as set forth in  
8 Section IX of the Final Judgment if and when ordered  
9 by the Court.

10 5. Both Blue Chip Stamps and the Government  
11 preserve all of their respective rights under the  
12 Final Judgment which are not inconsistent with this  
13 stipulation, including all rights under Section XI.

14 Dated: March 31, 1976.

15 Gerald W. Connor  
16 Gerald W. Connor

17 Attorney for Plaintiff

18  
19 BURKE, WILLIAMS & SORENSEN

20  
21 By Martin J. Burke  
Martin J. Burke

22 Attorneys for Blue Chip Stamps

23  
24  
25 ORDER

26  
27 IT IS SO ORDERED:

28  
29 Dated: March 31, 1976

30 /s/Warren J. Ferguson  
31 United States District Judge