

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 TANDY CORPORATION and ALLIED)
 RADIO CORPORATION,)
)
 Defendants.)

Civil Action

NO. 71 C 1167

Entered: January 28, 1972

FINAL JUDGMENT

Plaintiff, United States of America, having filed its Complaint herein on May 14, 1971 and defendants having appeared and filed their Answer to the Complaint denying the substantive allegations thereof, and the plaintiff and the defendants, Tandy Corporation and Allied Radio Corporation, by their respective attorneys, having severally consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law herein, and without this Final Judgment constituting any evidence against or any admission by any party hereto with respect

to any such issue,

Now, Therefore, before the taking of any testimony, without trial or adjudication of any issue of fact or law herein, and upon consent of the parties hereto, 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 a claim upon which relief may be granted against the defendants under Section 7 of the Act of Congress of October 15, 1914 (15 U.S.C. § 18), commonly known as the Clayton Act, as amended.

II

As used in this Final Judgment:

(A) "Person" means any individual, partnership, firm, corporation, association, or other business or legal entity;

(B) "Tandy" means the defendant Tandy Corporation, a Delaware Corporation, and includes any other person owned or controlled by Tandy;

(C) "Electronic Specialty Store" means a retail store, including any mail order operations, engaged primarily in selling

electronic products that primarily attract high-fidelity enthusiasts, short-wave and citizens band radio users, engineers, ham radio operators, home hobbyists, and do-it-yourself electronic consumers, and which carries a wide range of electronic products, equipment, accessories, components and parts, which generally include stereophonic and monaural receivers, tuners, speakers, amplifiers and record changers; tape and disc recorders; short-wave and citizens band transmitters and receivers; walkie-talkie equipment, intercommunication systems, and items used principally to construct, maintain and repair such equipment.

III

The provisions of this Final Judgment shall apply to Plaintiff and to its subsidiaries, successors and assigns, and to 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 by personal service or otherwise.

IV

(A) Within two years from the date of entry of this Final Judgment, defendant Tandy Corporation shall divest, to a single person, 36 electronic specialty stores as going concerns which it

acquired from Allied Radio Corporation (Delaware). Such divestiture shall include the transfer of the right to use all trade names which Tandy acquired from Allied and all assets, including but not limited to inventory, equipment and furnishings, of such stores. At the option of the purchaser, such divestiture shall include all presently existing Allied customer lists, including the updated list of each divested store.

(B) Tandy shall assign all assignable leases of each store to the purchaser and shall use due diligence and all reasonable effort to secure the assignment of each lease which requires the landlord's approval where such approval may be required by the purchaser. If Tandy does not obtain the required landlord's approval of the assignment of any such lease, Tandy may retain any such lease and shall divest, as a going concern, to such purchaser one of its other electronic specialty stores for each such retained store.

(C) Tandy shall make known the availability of the assets for sale by ordinary and usual means for the sale of a business. Tandy shall furnish to bona fide prospective purchasers on an equal and non-discriminatory basis all reasonably necessary information, including business records, regarding the assets, and shall permit them to have such access to and make such

inspections of said assets as are reasonably necessary for the above purpose.

(D) Prior to the closing of any divestiture transaction hereunder, Tandy shall furnish in writing to the Assistant Attorney General in charge of the Antitrust Division the terms of the proposed divestiture transaction. Within thirty (30) days of the receipt of these details, the Assistant Attorney General may request in writing supplementary information concerning the transaction, which shall also be furnished in writing. If plaintiff objects to any provision of the proposed divestiture transaction, it shall notify Tandy in writing of its reasons therefor within forty-five (45) days of the receipt of the supplementary information submitted pursuant to plaintiff's last request for such information made pursuant to this paragraph, or within forty-five (45) days after the receipt of a statement from Tandy, if applicable, that it does not have the requested information. If no request for supplementary information is received, said notice of objection shall be given within forty-five (45) days of receipt of the originally submitted terms of the

proposed divestiture transaction. If no such notice of objection is received the plaintiff shall be deemed to have waived its right to object to the proposed divestiture transaction, in which event the consummation of such transaction by Tandy shall constitute compliance by it with the divestiture provisions of this Final Judgment. In the event of such notice of objection by the plaintiff, the sale shall not be closed unless plaintiff's objection is withdrawn or unless the Court approves.

(E) Following the entry of this Final Judgment and continuing until the divestiture of the assets, Tandy shall

(1) Render reports to the Assistant Attorney General in charge of the Antitrust Division every ninety (90) days, outlining in detail the efforts made by it to accomplish said divestiture and setting forth the name of any person making written inquiry whom Tandy does not believe to be a bona fide prospective purchaser contemplated by paragraph IV (C). The first such report shall be rendered within ninety (90) days after entry of this Final Judgment; and

(2) Maintain the assets to be divested separate and apart from the business of Radio Shack to the extent provided by the agreed order entered in this action on October 12, 1971, a copy of which is attached hereto and hereby made a part of this Final Judgment.

V

The divestiture ordered and directed by this Final Judgment, when made, shall be made in good faith and shall be absolute and unqualified and the divested assets shall not be reacquired by Tandy; provided, however, that Tandy may acquire and enforce any bona fide lien, mortgage, deed of trust, or other form of security on all or any of the divested assets given for the purpose of securing to Tandy payment of any unpaid portion of the purchase price thereof or performance of any part of the sale transaction.

In the event and only in the event that Tandy, as a result of the enforcement of any contract provision, lien, mortgage, deed of trust, or other form of security arrangement, reacquires

possession of all or substantially all of the divested assets, Tandy shall notify plaintiff and the Court in writing of such repossession within thirty (30) days thereof. Within such further period and upon such terms as the Court shall then prescribe, Tandy shall again offer for sale such portion of said repossessed assets as the Court may order.

VI

Tandy is enjoined and restrained for a period of five (5) years from the date of entry of this Final Judgment, from acquiring within the continental United States, without prior approval of plaintiff (1) the capital stock, (2) assets (except products purchased in the normal course of business), (3) business, or (4) good will of any person operating Electronic Specialty Stores, except nothing herein contained shall be construed to prohibit Tandy from acquiring (1) the capital stock, (2) assets, (3) business, or (4) good will of any Electronic Specialty Store:

(A) operated at the time of the entry of this Final Judgment under a Tandy franchise or joint venture agreement; or

(B) operated under a Tandy franchise or joint venture agreement which agreement was entered into after the entry of this Final Judgment, where the franchisee or joint venturer is a new entrant in the operation of an Electronic Specialty Store; or

(C) to the extent permitted in Section V hereof; or

(D) acquired in satisfaction in whole or in part of any indebtedness due or to become due under any note now held by Tandy.

VII

For the purpose of determining or securing compliance with this Final Judgment, and subject to any legally recognizable privilege:

(A) Duly authorized representatives of the Department of Justice shall, upon written request of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to Tandy made to its principal office, be permitted

(1) reasonable access, during the office hours of Tandy, to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of Tandy relating to any of the matters contained in this Final Judgment, and (2) subject to the reasonable convenience of Tandy and without restraint or interference from Tandy, to interview officers or employees of Tandy, each of whom may have counsel present, regarding any such matters.

(B) Tandy, upon such written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, shall submit such reports in writing to the Department of Justice with respect to matters contained in this Final Judgment as may from time to time be requested. No information obtained by the means provided in this Section VII 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.

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 hereof, for the enforcement of compliance therewith, and for the punishment of violations thereof.

ENTER:

/s/ HUBERT L. WILL

United States District Judge

Dated: January 28, 1972

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)

Plaintiff,)

v.)

TANDY CORPORATION and ALLIED)
RADIO CORPORATION)

Defendants.)

CIVIL ACTION

NO. 71 C 1167

AGREED ORDER

Pursuant to the stipulation of the parties by their respective attorneys and pending the entry of a Final Judgment in this litigation.

IT IS HEREBY ORDERED that:

1. Tandy Corporation, no later than 45 days from the day of entry of this Agreed Order, shall remove from the exterior and interior of each Allied Radio Corporation retail outlet acquired from LTV-Ling Altec, Inc. any and all signs advertising the name Radio Shack. In retail stores hereafter opened by Tandy Corporation there shall be no advertising signs commingling

the names Allied and Radio Shack.

2. Tandy Corporation shall continue in good faith, and to the extent feasible, to advertise and promote products bearing the Allied Radio brand names. Commencing no later than 45 days from the date of entry of this Order, Tandy Corporation, in all Radio Shack and Allied Radio joint advertising hereafter prepared and run in cities having Allied Radio retail outlets acquired from LTV-Ling Altec, Inc., shall separately identify the Allied and Radio Shack outlets and indicate that all products advertised are available in both Allied and Radio Shack outlets.

3. Tandy Corporation shall furnish monthly to the Department of Justice the following operation and financial information pertaining to each Allied Radio store:

Amount of sales;

Net profits;

Sales projections, if any;

Merchandise inventories; and

Net fixed assets.

4. Tandy Corporation shall notify the Department of Justice within thirty days of any proposed Allied store closing,

change of any Allied store lease, or change in any Allied store operation which may materially affect the profitability of such store.

5. Except to the extent that such activities are presently carried on in separate subdivided and appropriately designated space therein, Tandy Corporation shall not sell in Allied retail outlets in the regular course of business any non-electronic products manufactured or sold by Tandy Corporation or any of its subsidiaries, divisions and affiliates.

6. Tandy Corporation will keep and maintain all presently existing Allied customer lists, including its list of mail order customers as the same existed in April, 1970, and all lists of customers to whom mailing pieces are hereafter sent in states where Allied retail stores are located and shall make such lists available to the Department of Justice on request.

7. In all new catalogs and mailing pieces hereafter prepared and distributed by Tandy Corporation, and listing retail outlets in cities having Allied stores, Tandy Corporation shall list separately the Allied and Radio Shack retail stores, and shall indicate that all products listed are available in both Allied and Radio Shack outlets.

8. Tandy Corporation shall not commingle the business operation of Allied Industrial Electronics with the Allied retail consumer business operation.

9. This Order is intended solely for interim use in the captioned action, and shall not constitute any admission by any party, nor constitute any finding of fact nor any substitute therefor, and no part of this Order shall constitute competent, relevant or admissible evidence in any other action at law or proceeding in equity.

10. The foregoing is all subject to the right of any party hereto, upon 30 days prior written notice to the Court and to the other party hereto, to make application to the Court to have this Order vacated, changed or modified.

s/ Hubert L. Will

United States District Judge

Dated: Oct 12, 1971

Agreed:

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