

**VI***Plaintiff access*

A. For the purpose of determining or securing compliance with this Final Judgment, duly authorized representatives of the plaintiff shall, upon written request of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to the relevant defendant entity, subject to any lawful privilege, be permitted:

1. access during such defendant entity's regular office hours to inspect and copy all records and documents in its possession or custody, or subject to its control, relating to any matters contained in this Final Judgment; and

2. to depose or interview such defendant entity's officers, employees, trustees, or agents, who may have counsel present, regarding any matters contained in this Final Judgment; such depositions or interviews to be subject to the reasonable convenience of and without restraint or interference from the defendant entity.

B. Upon the written request of the Assistant Attorney General in charge of the Antitrust Division, each of the defendant entities shall submit such written reports, under oath if requested, relating to any of the matters contained in this Final Judgment as may be reasonably requested.

C. No information or documents obtained by the means provided in this Section shall be divulged by the plaintiff 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 security compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by a defendant entity to plaintiff, such defendant entity 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 said defendant marks each pertinent page of such materials, "Confidential: 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 entity prior to divulging such material in any legal proceeding to which the defendant entity is not a party; provided, however, that nothing herein shall apply to any use of such information or documents in any grand jury proceeding.

**VII***Further Elements of Decree*

A. 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 further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

B. This Final Judgment shall terminate ten (10) years from the date of entry.

C. The defendant property that is the property of Steinhardt Management Company, Inc. is hereby forfeited to the United States. Steinhardt Management Company, Inc. shall pay \$12,500,000, plus the Additional Amount defined in the Civil Settlement Agreement between Steinhardt Management Company, Inc. and the United States Department of Justice dated December 16, 1994, within five (5) business days after receipt of notice of this Final Judgment. Such amount represents that portion of the settlement amount forfeited to the Department of Justice pursuant to 15 U.S.C. § 6, and which is payable to the Department of Justice Asset Forfeiture Fund.

D. The defendant property that is the property of Caxton Corporation is hereby forfeited to the United States. Caxton Corporation shall pay \$12,500,000 plus the Additional Amount defined in the Civil Settlement Agreement between Caxton Corporation and the United States Department of Justice dated December 16, 1994, within five (5) business days after receipt of notice of this Final Judgment. Such amount represents that portion of the settlement amount forfeited to the Department of Justice pursuant to 15 U.S.C. § 6, and which is payable to the Department of Justice Asset Forfeiture Fund.

E. Entry of this Final Judgment is in the public interest.

United States District Court Southern District of New York, United States of America, Plaintiff, v. Steinhardt Management Company, Inc.; and Caxton Corporation, Defendants, and \$12,500,000 That is the Property of Steinhardt Management Company, Inc.; Steinhardt Management Company, Inc., Real Party in Interest and \$12,500,000 That is the Property of Caxton Corporation, Caxton Corporation, Real Party in Interest. 94 Civ. 9044.

*Competitive Impact Statement*

Pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)-(h), the United States submits this Competitive Impact

Statement relating to the proposed Final Judgment submitted for entry in this civil antitrust proceeding.

**I***Nature and Purpose of the Proceeding*

On December 16, the United States filed a civil antitrust complaint alleging that Steinhardt Management Company, Inc. ("SMC"), Caxton Corporation ("Caxton") and others conspired to restrain competition in markets for specified United States Treasury securities, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. The complaint seeks injunctive relief and forfeiture of property owned by SMC and Caxton pursuant to the alleged conspiracy under Section 6 of the Sherman Act, 15 U.S.C. § 6.

The complaint alleges that, beginning in April 1991 and continuing into September 1991, the defendant entities and others (collectively, the "conspirators") violated Section 1 of the Sherman Act by agreeing to coordinate their actions in trading the two-year Treasury notes auctioned by the United States Treasury on April 24, 1991 ("April Notes"). During that period, the conspirators coordinated trading in the secondary markets for the April Notes, including both the cash market (where purchases and sales occur) and the financing market (where, in effect, persons with leveraged long positions, such as the defendant entities, borrow money in order to buy or to continue to hold an issue). The alleged conspiracy affected the price of the April Notes in both the cash market and the financing market.

The United States and the defendant entities have stipulated to the entry of a proposed Final Judgment, which will grant the relief sought in the complaint and terminate this action.

**II***Description of the Practices Involved in the Alleged Violation**A. The Treasury Securities Markets*

The Treasury finances the debt of the United States by issuing Treasury securities in the form of bonds, notes and bills. Treasury bonds, notes and bills are sold by the Treasury through periodic auctions conducted by the Federal Reserve System. At each such auction, the Treasury awards securities to the bidders willing to accept the lowest yield levels (effectively, interest rates) on their cash.

A week before an auction of a particular issue, the Treasury announces the size of the issue to be auctioned. "When-issued" trading for that issue