thereto. When so entered, the order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery by the United States Postal Service of the complaint and decision containing the agreed-to order to proposed respondents' or to their counsel's addresses as stated in this agreement shall constitute service. Proposed respondents waive any right they may have to any other manner of service. The complaint may be used in construing the terms of the order, and no agreement, understanding, representation, or interpretation not contained in the order or the agreement may be used to vary or contradict the terms of the order.

8. Proposed respondents have read the proposed complaint and order contemplated hereby. Proposed respondents understand that once the order has been issued, they will be required to file one or more compliance reports showing they have fully complied with the order. Proposed respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the order after it becomes final.

Order

I

It is ordered that, as used in this order, the following definitions shall apply:

A. "Mustad Connecticut" means Mustad Connecticut, Inc., a wholly owned subsidiary of Mustad International Group NV, its predecessors, subsidiaries, divisions, and groups and affiliates controlled by Mustad Connecticut, their successors and assigns, and their directors, officers, employees, agents and representatives.

B. "Mustad Group" means Mustad International Group NV, its predecessors, subsidiaries, divisions, and groups and affiliates controlled by Mustad Group, their successors and assigns, and their directors, officers, employees, agents and representatives.

C. "Respondents" or "Mustad" means Mustad Connecticut and Mustad Group.

D. "Acquisitions" means the acquisitions by Mustad of the assets of Cooper Horseshoe Nail Co., Ltd.; stock of Emcoclavos S.A.; and assets of Sterward Engineering Company, Ltd.

E. "Capewell" means substantially all assets of Capewell Horsenails, Inc., including assets, properties, business and goodwill, tangible and intangible, used in the manufacture and sale of Rolled Horseshoe Nails, including the following:

1. Machinery, fixtures, equipment, vehicles, transportation facilities, furniture, tools and other tangible personal property;

2. Customer lists, vendor lists, catalogs, sales promotion literature, advertising materials, research materials, technical information, management information systems, software, inventions, trade secrets, intellectual property, patents, technology, know-how, specifications, designs, drawings, processes and quality control data;

3. Inventory of nails produced by Capewell;

4. Rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors and consignees;

5. Rights under warranties and guarantees, express or implied;

6. Books, record, files; and

7. Items of prepaid expense. F. "Commission" means the Federal

Trade Commission.

G. "Rolled Horseshoe Nails" means horseshoe nails that are produced by the rolling process of drawing the shank of the nail through a series of dies.

H. "Functioning Nail Machine" means a fully functioning and operational machine that has produced at least 800 pounds per week of City Head No. 5 Rolled Horseshoe Nails during the preceding year, or the equivalent production of other types and sizes of nails, including tooling used in the maintenance or operation of such nail machines, and capable of producing Rolled Horseshoe Nails in at least the following sizes: city head 5, city head 6, slim blade 5, regular head 5, and race nail 3¹/₂.

I. "Spare Nail Machine" means a functioning or non-functioning machine suitable for use in providing spare and replacement parts for the Functioning Nail Machines.

J. "Nail Machine" means a Functioning Nail Machine or Spare Nail Machine.

K. "Technology and Know-how" means all of Mustad's drawings, blueprints, patents, specifications, tests, and other documentation, and all information contained therein or available to Mustad personnel relating to the design, and the production methods, processes and systems used in the production of Rolled Horseshoe Nails.

II

It is further ordered that:

A. Mustad shall divest, absolutely and in good faith, by May 15, 1996, either (i) Capewell as an ongoing business, or (ii) four (4) Functioning Nail Machines and one (1) Spare Nail Machine and shall grant a perpetual non-exclusive license of the Technology and Knowhow to the acquirer.

B. The divestiture and granting of the license shall be made only to an acquirer that receives the prior approval of the Commission and only in a manner that receives the prior approval of the Commission. The purpose of the divestiture and licensing is to create an independent competitor in the production and sale of Rolled Horseshoe Nails and to remedy the lessening of competition in the United States resulting from the Acquisitions as alleged in the Commission's complaint. Mustad shall divest such other ancillary assets and effect such other arrangements as are reasonably necessary for the acquirer to be viable, and competitive.

C. If Mustad divests the Functioning Nail Machines and Spare Nail Machine, then upon reasonable notice from the acquirer to respondents, respondents shall provide such assistance to the acquirer as is reasonably necessary to enable the acquirer to produce Rolled Horseshoe Nails in substantially the same manner and quality employed or achieved by the respondent prior to divestiture. Such assistance shall include reasonable consultation with knowledgeable employees and training for a period of time sufficient to satisfy the acquirer's management that its personnel are appropriately trained in the production of rolled horseshoe nails. Respondents shall convey all know-how necessary to produce rolled horseshoe nails in substantially the same manner and quality employed or achieved by respondent prior to divestiture. However, respondents shall not be required to continue providing such assistance for more than one (1) year from the date of divestiture. Respondents shall charge the acquirer its own direct costs for providing such assistance.

III

It is further ordered that, pending divestiture of Capewell or the Functioning Nail Machines and Spare Nail Machine pursuant to Paragraphs II.A., Mustad shall take such action as is necessary to maintain the viability and marketability of the Nail Machines to be divested and shall not cause or permit the destruction, removal,