wasting, deterioriation or impairment of such Nail Machines, except for ordinary wear and tear that does not affect the viability and marketability of the Nail Machines.

IV

It is further order that:

A. If respondents have not completed the divestiture required by paragraph II.A. by May 15, 1996, the Commission may appoint a trustee to divest four (4) Functioning Nail Machines, one (1) Spare Nail Machine, and license the Technology and Know-how. In the event the Commission or the Attorney General brings an action pursuant to § 5(1) of the Federal Trade Commission Act, 15 U.S.C. $\S 45(1)$, or any other statute enforced by the Commission, Mustad shall consent to the appointment of a trustee in such action. Neither the appointment of a trustee nor a decision not to appoint a trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a courtappointed trustee, pursuant to Section 5(1) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by Mustad to comply with this order.

B. If a trustee is appointed by the Commission or a court pursuant to Paragraph IV.A. of this order, Mustad shall consent to the following terms and conditions regarding the trustee's powers, duties, authorities, and

responsibilities:

(1) The Commission shall select the trustee, subject to the consent of Mustad, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Mustad has not opposed the selection of a proposed trustee within fifteen (15) days after notice by the Commission's staff to Mustad of the identity of the proposed trustee, Mustad shall be deemed to have consented to the selection of the proposed trustee.

(2) Subject to the prior approval of the Commission, the trustee shall have the exclusive power and authority to divest the Nail Machines and grant a license for the Technology and Know-how and to make any further arrangements that may be reasonably necessary to maintain the viability and competitiveness of the business.

(3) The trustee shall have twelve (12) months from the date the Commission approves the trust agreement described in Paragraph IV.B.8 to accomplish the divestiture, which shall be subject to the prior approval of the Commission. If, however, at the end of the twelve-month

period, the trustee has submitted a plan of divestiture or believes that the divestiture can be accomplished within a reasonable time, the divestiture period may be extended by the Commission or, in the case of a court-appointed trustee, by the court, provided, however, that the Commission may extend this period only two (2) times and for a total period not to exceed two (2) years.

not to exceed two (2) years. (4) The trustee shall have full and complete access to the personnel, books, records, and facilities related to the Nail Machines, or to any other relevant information, as the trustee may reasonably request. Respondents shall provide such financial or other information as such trustee may reasonably request and shall cooperate with the trustee. Mustad shall take no action to interfere with or impede the trustee's accomplishment of the divestiture and licensing. Any delays in divestiture caused by Mustad shall extend the time for divestiture under Paragraph IV.B.3 in an amount equal to the delay, as determined by the Commission or, for a court-appointed trustee, by the court.

(5) Subject to Mustad's absolute and unconditional obligation to divest and license at no minimum price, and the purpose of the divestiture and licensing as stated in Paragraph II of this order, the trustee shall use his or her best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission. The divestiture shall be made in the manner set out in Paragraph III of this order, provided, however, if the trustee receives bona fide offers from more than one acquiring entity, and if the Commission determines to approve more than one such acquiring entity, the trustee shall divest to the acquiring entity or entities selected by Mustad from among those approved by the Commission.

(6) The trustee shall serve, without bond or other security, at the cost and expense of Mustad, on such reasonable and customary terms and conditions as the Commission or, in the case of a court-appointed trustee, the court may set. The trustee shall have authority to employ, at the cost and expense of Mustad, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are reasonably necessary and at reasonable cost to carry out the trustee's duties and responsibilities. The trustee shall account for all monies derived from the divestiture and licensing and all expenses incurred. After approval by the Commission and, in the case of a court-appointed trustee, by the court, of the account of the trustee, including fees for his or her services, all remaining monies shall be paid at the direction of Mustad and the trustee's power shall be terminated. The trustee's compensation shall be based in significant part on a reasonable commission arrangement contingent on the trustee's divesting the Nail Machines and licensing the technology and know-how.

(7) Mustad shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trusteeship, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, negligence, willful or wanton acts, or bad faith by the trustee.

(8) Within ten (10) days after appointment of the trustee, and subject to the prior approval of the Commission and, in the case of a court-appointed trustee, of the court, Mustad shall execute a trust agreement that transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestiture and licensing required by this order.

(9) If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in Paragraph IV.A. of this order.

(10) The Commission or, in the case of a court-appointed trustee, the court may on its own initiative or at the request of the trustee issue such additional orders or directions as may be necessary or appropriate to accomplish the divestiture and licensing required by this order.

(11) The trustee shall have no obligation or authority to operate or maintain the Nail Machines.

(12) The trustee shall report in writing to Mustad and to the Commission every sixty (60) days concerning the trustee's efforts to accomplish the divestiture and licensing.

V

It is further ordered that:

A. Within sixty (60) days after the date this order becomes final and every sixty (60) days thereafter until Mustad has fully complied with the provisions of Paragraph II or IV of this order, Mustad shall submit to the Commission a verified written report setting forth in detail the manner and form in which it intends to comply, is complying, and has complied with those provisions.