Mustad shall include in its compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with Paragraphs II and IV of the order, including a description of all substantive contacts or negotiations for the divestiture and licensing and the identity of all parties contacted. Mustad also shall include in its compliance reports copies of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning divestiture.

B. One year from the year that this order becomes final, annually for the next nine (9) years on the anniversary of the date on which this order becomes final, and at such other times as the Commission may require, Mustad shall file with the Commission a verified written report setting forth in detail the manner and form in which it has complied and is complying with Paragraph VI of this order.

It is further ordered that, for a period of ten (10) years from the date this order becomes final, respondent shall not, without providing advance written notification to the Commission, directly or indirectly, through subsidiaries, partnerships, or otherwise:

A. Acquire any stock, share capital, equity or other interest in any concern, corporate or non-corporate, presently engaged in, within the two years preceding such acquisition engaged in, or in the process of attempting to engage in producing or selling horseshoe nails in the United States; or

B. Acquire any assets used for, or previously used for (and still suitable for use for) the production of horseshoe nails from any concern, corporate or non-corporate, presently engaged in, within the past two years engaged in, or in the process of attempting to engage in producing or selling horseshoe nails in the United States.

Said notification shall be given on the Notification and Report Form set forth in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations as amended (hereinafter referred to as "the Notification"). Respondent shall provide to the Commission at least thirty days prior to acquiring any such interest (hereinafter referred to as the "first waiting period"), both the Notification and supplemental information either in respondent's possession or reasonably available to respondent. Such supplemental information shall include a copy of the proposed acquisition agreement; the names of the principal representatives of respondent and of the firm respondent desires to acquire who

negotiated the acquisition agreement; and any management or strategic plans discussing the proposed acquisition. If, within the first waiting period, representatives of the Commission make a written request for additional information, respondent shall not consummate the acquisition until twenty days after submitting such additional information. Early termination of the waiting periods in this paragraph may be requested and, where appropriate, granted in the same manner as is applicable under the requirements and provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18a.

VII

It is further ordered that, for the purposes of determining or securing compliance with this order, and subject to any legally recognized privilege, upon written request, Mustad reasonably shall permit any duly authorized representatives of the Commission:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Mustad relating to any matters contained in this order; and

B. Upon five (5) days notice to Mustad, and without restraint or interference from Mustad, to interview officers or employees of Mustad, who may have counsel present, regarding such matters.

VIII

It is further ordered that Mustad shall notify the Commission at least thirty (30) days prior to any proposed change in Mustad, such as dissolution, assignment, or sale resulting in the emergence of a successor, the creation or dissolution of subsidiaries, or any other change that may affect compliance obligations arising out of this order.

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission ("Commission") has accepted, subject to final approval, and Agreement Containing Consent Order ("Agreement") from Mustad International Group NV ("Mustad"), a Netherlands Antilles firm, and Mustad Connecticut, Inc., a Connecticut company.

The proposed Order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the Agreement and the comments received and will decide whether it should withdraw from the Agreement or make final the Agreement's proposed Order.

Mustad has consummated a series of acquisitions, beginning in July 1985 through January 1993. The proposed complaint alleges that the effect of the acquisitions was to substantially lessen competition and to give Mustad a virtual monopoly in the market for rolled horseshoe nails, which allowed Mustad to raise prices by as much as 50–75% on the most popular, large volume sizes of horseshoe nails in the United States.

The complaint alleges that Mustad acquired Capewell Manufacturing Company ("Capewell"), Cooper Horseshoe Nail Co., Ltd. ("Cooper"), and Emcoclavos S.A. ("Emcoclavos") and acquired a horseshoe nail machine from Sterward Engineering Company, Ltd. ("Sterward"). Cooper and Emcoclavos were direct competitors of Mustad and Sterward was a potential competitor to Mustad. The complaint also alleges that Mustad entered into non-compete agreements with Cooper and Sterward for a period of at least twenty years. The complaint also alleges that Mustad destroyed saleable rolled horseshoe nail machines in order to prevent potential competitors from producing horseshoe nails.

The proposed complaint alleges that the Mustad's acquisitions of Cooper, Emcoclavos and Sterward violated Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; that the Sterward non-compete agreement violates Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and that Mustad, in making its acquisitions of Capewell, Cooper, and Emcoclavos, in destroying machinery, and in entering the non-compete agreements, attempted to monopolize and did monopolize the market for rolled horseshoe nails in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45

The complaint alleges that rolled horseshoe nails are a relevant line of commerce that differ from other types of nails used by farriers (the people who shoe horses). Rolled horseshoe nails are not reasonably interchangeable with forged nails.

The complaint alleges that Mustad gained a virtual monopoly, nearly a 90% share of sales of rolled horseshoe nails in the world, as a result of its acquisitions of Cooper, Emcoclavos, and