

FOR IMMEDIATE RELEASE: May 18, 1988

LOS ANGELES COMPANY AGREES TO PAY \$500,000
IN CIVIL PENALTIES TO SETTLE CHARGES IT
VIOLATED PREMERGER NOTIFICATION REQUIREMENTS

Roscoe Moss Co. has agreed to pay \$500,000 in civil penalties to settle federal government charges that it did not comply with federal premerger notification requirements when it acquired stock in San Jose Water Co. The Department of Justice filed the complaint and settlement in federal district court at the Federal Trade Commission's request.

The complaint charges Moss violated the premerger reporting provisions of the Hart-Scott-Rodino Act. The HSR Act requires companies larger than a certain size to notify the FTC and Department of Justice, and to observe a waiting period, before making certain acquisitions.

The complaint charges that Moss started acquiring the San Jose Water Co. stock on Nov. 22, 1977. On Dec. 1, 1984, the complaint alleges, Moss had acquired additional stock that caused the value of its holdings to exceed \$15 million. Moss filed an HSR Act notification and report form on Feb. 24, 1986, stating its intention to acquire at least 25 percent of SJW Corp., which was formed in 1985 and holds the stock of its wholly owned subsidiary, San Jose Water Co. That filing started a 30-day waiting period that expired March 26, 1986.

The complaint alleges that Moss did not comply with the requirements of the HSR Act to file a report and observe a waiting period before acquiring more than \$15 million of SJW voting securities. Therefore, Moss violated the HSR Act from Dec. 1, 1984, to March 26, 1986, according to the complaint.

According to Jeffrey I. Zuckerman, director of the FTC's Bureau of Competition, the complaint did not allege that the company intentionally violated the law, or that the acquisition itself would violate the antitrust laws.

The complaint also names Roscoe Moss Jr., of Flintridge, Calif., the company's majority stock owner and its chairman and chief executive officer. In addition to investing in water utilities, Roscoe Moss Co. manufactures piping used in water wells and transmission lines, and also serves as a contractor for water well drilling and ground water development. SJW Corp. owns water distribution facilities serving San Jose, Calif., and is a regulated public utility.

The Department of Justice filed the complaint in the U.S. District Court for the District of Columbia.

(More)

This consent judgment is for settlement purposes only and does not constitute an admission by the company that it violated the law. Consent judgments have the force of law.

Copies of the complaint and judgment will be available shortly from the FTC's Public Reference Branch, Room 130, 6th St. and Pennsylvania Ave. N.W., Washington, D.C. 20580; 202-326-2222; TTY 202-326-2502.

###

MEDIA CONTACT: Susan Ticknor, Office of Public Affairs,
202-326-2181

STAFF CONTACT: Elliot Feinberg, Bureau of Competition,
202-326-2687

(FTC File No. 861 0099)

(Moss)