

FTC news

Federal Trade Commission *Washington, D.C. 20580*

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**LONRHO PLC AND DIAMOND A CATTLE DID NOT
COMPLY WITH PREMERGER NOTIFICATION REQUIREMENTS,
AGREED TO PAY \$122,000 EACH TO SETTLE CHARGES**

Lonrho PLC and Diamond A Cattle Co. did not comply with federal premerger notification requirements when Lonrho acquired half of Diamond A, according to a complaint filed today in district court. Under a final judgment accompanying the complaint, each company agreed to pay \$122,000 in civil penalties to settle the charges.

The Department of Justice filed the complaint and judgment in federal court at the Federal Trade Commission's request. It is the first time the Commission has obtained civil penalties from a seller for failing to make a premerger notification filing.

According to the complaint, on October 21, 1986, Diamond A sold half of its voting securities to Lonrho. The complaint alleged that the companies did not notify the FTC and the Dept. of Justice of the transaction under the Hart-Scott-Rodino Act until November, starting a waiting period that ended December 27.

The complaint charges that the companies did not comply with the reporting and waiting period requirements before consummating the transaction, and were in violation of the HSR Act from Oct. 21 to Dec. 27, 1986. The HSR Act requires companies over a certain size to notify the FTC and the Department of Justice and to observe a waiting period before making certain acquisitions.

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

The court action names Lonrho PLC, of London, and its wholly owned American subsidiary, Lonrho Inc., of New York City. It also names Diamond A Cattle Co. and its chairman, Robert O. Anderson, both of Roswell, N.M.

(More)

This judgment is for settlement purposes only and does not constitute an admission by the companies that they violated the law. It was filed in the U.S. District Court for the District of Columbia.

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: Edward Glynn, Bureau of Competition,
202-326-2948

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(Lonrho)