

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

In the Matter of	)	
	)	
<b>Precision Castparts Corp.,</b>	)	
a corporation;	)	
	)	File No. 991-0240
and	)	
	)	
<b>Wyman-Gordon Company,</b>	)	
a corporation.	)	
	)	

**AGREEMENT CONTAINING CONSENT ORDERS**

The Federal Trade Commission (“Commission”), having initiated an investigation of the acquisition of 100% of the voting stock of Wyman-Gordon Company (“Wyman-Gordon”) by Precision Castparts Corp. (“PCC”), and it now appearing that PCC and Wyman-Gordon, hereinafter sometimes referred to as “Respondents,” are willing to enter into this Agreement Containing Consent Orders (“Consent Agreement”) to divest certain assets and providing for other relief:

**IT IS HEREBY AGREED** by and between Respondents, by their duly authorized officers and their attorneys, and counsel for the Commission that:

1. Respondent PCC is a corporation organized, existing and doing business under and by virtue of the laws of the State of Oregon, with its office and principal place of business located at 4650 S.W. Macadam Avenue, Suite 440, Portland, Oregon 97201-4254.
2. Respondent Wyman-Gordon is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its office and

4. Respondents waive:
  - a. any further procedural steps;
  - b. the requirement that the Commission's Order to Hold Separate and Decision & Order, here attached and made a part hereof, contain a statement of findings of fact and conclusions of law;
  - c. all rights to seek judicial review or otherwise to challenge or contest the validity of the Order to Hold Separate or Decision & Order entered pursuant to this Consent Agreement; and
  - d. any claims under the Equal Access to Justice Act.
5. Respondents shall submit within thirty (30) days of the date this Consent Agreement is signed by Respondents an initial report, pursuant to Commission Rule 2.33, 16 C.F.R. § 2.33, signed by Respondents, setting forth in detail the manner in which Respondents have complied and will comply with the Order to Hold Separate and with Paragraphs II. through V. of the Decision & Order. Such report will not become part of the public record unless and until the accompanying Consent Agreement and Decision & Order are accepted by the Commission for public comment.
6. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Respondents, in which event it will take such action as it may consider appropriate, or amend its Complaint as the circumstances may require and issue its Decision & Order in disposition of the proceeding.
7. This Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in the draft Complaint here attached, or that the facts as alleged in the draft Complaint, other than jurisdictional facts, are true.
8. Because there may be interim competitive harm, and divestiture or other relief resulting from a proceeding challenging the legality of the proposed acquisition might not be possible, or might be less than an effective remedy, the Commission may issue an Order to Hold Separate in this matter.
9. Respondents have read the Order to Hold Separate contemplated hereby. Respondents agree to comply with the terms of the attached Order to Hold Separate from the date the

Order to Hold Separate is served on Respondents. The Order to Hold Separate shall become final upon service. Delivery of this Order to Hold Separate by any means specified in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), shall constitute service. The Respondents waive any right they might have to any other manner of service. When final, the Order to Hold Separate 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. Respondents may be liable for civil penalties in the amount provided by law for each violation of the Order to Hold Separate after it becomes final.

10. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (1) issue its Complaint corresponding in form and substance with the draft Complaint here attached, and its Order to Hold Separate, and (2) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Respondents, issue the attached Decision & Order containing an order to divest in disposition of the proceeding. When so entered, the Decision & 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 Decision & Order shall become final upon service. Delivery of the Complaint

of the Decision & Order after it becomes final.

Signed this \_\_\_\_\_ day of October, 1999.

PRECISION CASTPARTS CORP.

\_\_\_\_\_  
Mark Donegan  
Executive Vice President  
Precision Castparts Corp.

\_\_\_\_\_  
Jeffrey W. Brennan, Esq.  
Collier, Shannon, Rill & Scott, PLLC  
Counsel for Precision Castparts Corp.

WYMAN-GORDON COMPANY

\_\_\_\_\_  
David P. Gruber  
Chairman & CEO  
Wyman-Gordon Company

\_\_\_\_\_  
J. Anthony Downs, Esq.  
Goodwin, Procter & Hoar, LLP  
Counsel for Wyman-Gordon Company

FEDERAL TRADE COMMISSION,  
BUREAU OF COMPETITION  
Nicholas R. Koberstein  
Matthew J. Reilly  
Rodney B. Choo  
Attorneys

By: \_\_\_\_\_  
Rodney B. Choo

APPROVED:

\_\_\_\_\_  
Casey R. Triggs  
Deputy Assistant Director

\_\_\_\_\_  
Molly S. Boast  
Senior Deputy Director

\_\_\_\_\_  
Richard G. Parker  
Bureau Director



2.34, 16 C.F.R. § 2.34, the Commission hereby makes the following jurisdictional findings and issues the following Order:

1. Respondent PCC is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Oregon, with its office and principal place of business located at 4650 S.W. Macadam Avenue, Suite 440, Portland, Oregon 97201-4254.
2. Respondent Wyman-Gordon is a corporation organized, existing, and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its office and principal place of business located at 244 Worcester Street, Grafton, Massachusetts 01536-8001.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Respondents, and the proceeding is in the public interest.

**ORDER**

business under and by virtue of the laws of the United Kingdom, with its office and principal place of business located at 28-30 Derby Road, Melbourne, Derbyshire, United Kingdom.

- F. “Acquisition” means the proposed acquisition by PCC of all the voting securities of Wyman-Gordon.
- G. “Investment Casting” means a method of manufacturing metal components, whereby a wax model of the metal component is dipped into a ceramic slurry which dries to form a ceramic shell. The wax is then removed using a special furnace, leaving a cavity within the ceramic shell into which molten metal is poured. Once the metal cools, the ceramic shell is removed producing dimensionally precise metal components.
- H. “Aerospace Investment Cast Components” means dimensionally precise metal components manufactured using the Investment Casting process that are used primarily in aerospace jet engine and aerospace airframe applications.
- I. “Titanium Aerospace Investment Cast Components” means Aerospace Investment Cast Components manufactured using titanium alloy.
- J. “Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components” means Aerospace Investment Cast Components of a diameter or length of twelve (12) inches or greater manufactured using stainless steel and/or nickel-based superalloys.
- K. “Tooling” means the metal die or tool necessary to produce the wax model of the component in the Investment Casting process.
- L. “Manufacturing Know-How” means gating schemes, temperature controls, and

Components and Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components at the Groton Large Parts Facility included in the Groton Divestiture Agreement.

- O. “Groton Facility” means Wyman-Gordon’s Investment Casting manufacturing plants, referred to internally by Wyman-Gordon as Plant 08 and Plant 02, located at 839 Poquonnock Road, Groton, Connecticut 06340, and all assets used in the production of Titanium Aerospace Investment Cast Components and Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components at the Groton Facility.
  
- P. “Albany Facility Assets” means all assets, properties, businesses and goodwill, tangible and intangible, of Wyman-Gordon used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components at the Albany Facility, including, without limitation, the following:
  - 1. all owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located in Wyman-Gordon’s Albany Facility;
  
  - 2. all intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data; provided, however, that this does not include any rights in the name “Wyman-Gordon”;
  
  - 3. all customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;
  
  - 4. all rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Titanium Aerospace Investment Cast Component; all 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, consignees;

5. all rights under warranties and guarantees, express or implied;
6. all books, records and files, and all items of prepaid expense; and
7. all Sales and Service Operations.

Q. “Groton Large Parts Facility Assets” means all assets, properties, businesses and goodwill, tangible and intangible, of Wyman-Gordon used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components or Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components at the Groton Large Parts Facility, including, without limitation, the following:

1. all owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located in Wyman-Gordon’s Groton Large Parts Facility;
2. all intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data; provided, however, that this does not include any rights in the name “Wyman-Gordon”;
3. all customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;
4. all rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Aerospace Investment Cast Component; all 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, consignees;
5. all rights under warranties and guarantees, express or implied;

6. all books, records and files, and all items of prepaid expense; and
  7. all Sales and Service Operations.
- R. “Groton Facility Assets” means all assets, properties, businesses and goodwill, tangible and intangible, used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components or Stainless Steel and/or Nickel-based Superalloy Aerospace Investment Cast Components at the Groton Facility, including, without limitation, the following:
1. all owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located at the Groton Facility;
  2. all intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data; provided, however, that this does not include any rights in the name “Wyman-Gordon”;
  3. all customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;
  4. all rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Aerospace Investment Cast Component; all 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, consignees;
  5. all rights under warranties and guarantees, express or implied;
  6. all books, records and files, and all items of prepaid expense; and
  7. all Sales and Service Operations.
- S. “Acquirer-Albany” means the entity that acquires the Albany Facility Assets pursuant to Paragraphs II.A. or III.A. of this Order, as applicable.

- T. “Acquirer-Groton” means Doncasters, or the entity that acquires the Groton Facility Assets pursuant to Paragraphs IV.A.2. or V.A. of this Order, as applicable.
- U. “Groton Divestiture Agreement” means all agreements between Respondents and any Acquirer-Groton, and all exhibits thereof.
- V. “Albany Divestiture Agreement” means all agreements between Respondents and any Acquirer-Albany, and all exhibits thereof.
- W. “Non-Public Acquirer Information” means any information not in the public domain obtained by Respondents directly or indirectly from the Acquirer-Albany or the Acquirer-Groton, prior to the effective date, or during the term, of the provision of assistance to the acquirer as required by Paragraphs II.E. and IV.C. of this Order. Non-Public Acquirer Information shall not include information that subsequently falls within the public domain through no violation of this Order by Respondents.
- X. “Cost” means direct cash cost of raw materials and labor.
- Y. “Sales and Services Operations” means all of Wyman-Gordon’s assets, properties, business and goodwill, tangible and intangible, used in the sale or service of Wyman-Gordon’s Aerospace Investment Cast Components business at either the Albany Facility, the Groton Large Parts Facility, or the Groton Facility, as applicable.
- Z. “Material Confidential Information” means competitively sensitive or proprietary information not independently known to an entity from sources other than the entity to which the information pertains, and includes, but is not limited to, all customer lists, price lists, marketing methods, patents, technologies, processes, Manufacturing Know-How, or other trade secrets.
- AA. “Key Employees” means the employees listed in Appendix A to this Order.

## **II.**

### **IT IS FURTHER ORDERED** that:

- A. Respondents shall divest the Albany Facility Assets, at no minimum price, absolutely and in good faith, within six (6) months from the date the Consent Agreement is signed by Respondents.

Provided that, if the Acquirer-Albany expresses a preference not to acquire any portion of the Albany Facility Assets, and if the Commission approves the Acquirer-Albany and the Albany Divestiture Agreement, then Respondents shall not be required to divest that portion of such assets.

- B. Respondents shall divest the Albany Facility Assets 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 of the Albany Facility Assets is to ensure that the Albany Facility Assets continue to be used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components in substantially the same manner and quality currently employed or achieved by Wyman-Gordon and to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission's complaint.
- C. Pending divestiture of the Albany Facility Assets, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Albany Facility Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Albany Facility Assets except for ordinary wear and tear. Prior to divestiture, Respondents shall not transfer any of the individuals identified pursuant to Paragraph II.I. of this Order to any other position outside the Albany Facility.
- D. Respondents will ensure that at the time of the divestiture required under Paragraph II.A., the Albany Facility Assets shall be unencumbered and free of current and future claims of ownership or any equity interest, including, but not limited to, any claims of right of first refusal, by any third-party entity or entities, including, but not limited to, Titanium Metals Corporation. Provided, however, that if the Acquirer-Albany determines to allow Titanium Metals Corporation to retain all or a part of its interest in the Albany Facility Assets after the divestiture, and if the Commission approves such retention, then the Respondents shall be deemed to have complied with this Paragraph II.D.
- E. With respect to Titanium Aerospace Investment Cast Components, the applicable Tooling for which existed at the Albany Facility at the time of the divestiture, Respondents shall provide, at cost, upon reasonable notice and request by Acquirer-Albany, for a period not to exceed twelve (12) months from the date the divestiture is completed: (a) such assistance and training as are reasonably necessary to enable the Acquirer-Albany to develop, manufacture and sell Titanium Aerospace Investment Cast Components in substantially the same manner and quality, and using the same Manufacturing Know-How, as employed or achieved by Wyman-Gordon; and (b) such assistance and training as are reasonably necessary to enable the Acquirer-Albany to obtain any customer-required approvals and/or certifications.

- F. Respondents shall not provide, disclose or otherwise make available to any of their employees not involved in providing assistance to the Acquirer-Albany, any Non-Public Acquirer Information, nor shall Respondents use any Non-Public Acquirer Information obtained or derived by Respondents in their capacity as a provider of assistance pursuant to Paragraph II.E., except for the sole purpose of providing assistance pursuant to Paragraph II.E.
- G. Respondents shall comply with the terms of the Albany Divestiture Agreement for the Albany Facility Assets, which will be incorporated by reference into this Order, and made a part thereof. Any failure by Respondents to comply with the terms of the Albany Divestiture Agreement shall constitute a failure to comply with this Order.
- H. For a period of twelve (12) months from the date the divestiture occurs, Respondents shall, upon reasonable notice and request by a customer of any Titanium Aerospace Investment Cast Component(s):
1. transfer to the Albany Facility all Tooling and Manufacturing Know-How located in any other Wyman-Gordon manufacturing facility at any time prior to the date the Acquisition is completed, used in the development, manufacture and sale of the Titanium Aerospace Investment Cast Component(s) identified by the customer;
  2. pay all costs reasonably incurred in the delivery of such Tooling and Manufacturing Know-How to the Albany Facility;
  3. pay fifty (50) percent of the costs, if any, that are reasonably and necessarily incurred by the Acquirer-Albany in conforming such Tooling so as to enable the manufacture of Titanium Aerospace Investment Cast Component(s) to substantially the same quality employed or achieved by Wyman-Gordon; and
  4. with respect to such Tooling, pay fifty (50) percent of the costs, if any, that are reasonably and necessarily incurred by the Acquirer-Albany in obtaining customer-required certification or approval for Titanium Aerospace Investment Cast Component(s) produced from the same Manufacturing Know-How and having substantially the same quality employed or achieved by Wyman-Gordon.
- I. No later than the time of the execution of the Albany Divestiture Agreement, Respondents shall provide the Acquirer-Albany with a complete list of all non-clerical, salaried employees of Wyman-Gordon who have been involved in the

development, manufacture or sale of any Titanium Aerospace Investment Cast Component at the Albany Facility at any time during the period from January 1, 1999 until the date of the Albany Divestiture Agreement. The list shall state each individual's name, position or positions held from January 1, 1999 until the date of the Albany Divestiture Agreement, address, telephone number, and a description of the duties and work performed by the individual in connection with any Titanium Aerospace Investment Cast Component developed, manufactured or sold

### III.

#### **IT IS FURTHER ORDERED** that:

- A. If Respondents have not divested, absolutely and in good faith and with the Commission's prior approval, the Albany Facility Assets within the time required by Paragraph II.A. of this Order, the Commission may appoint a trustee to divest the Albany Facility Assets. In the event that the Commission or the Attorney General brings an action pursuant to § 5(l) of the Federal Trade Commission Act, 15 U.S.C. § 45(l), or any other statute enforced by the Commission, Respondents 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 court-appointed trustee, pursuant to § 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by the Respondents to comply with this Order.
- B. If a trustee is appointed by the Commission or a court pursuant to Paragraph III.A. of this Order, Respondents shall consent to the following terms and conditions regarding the trustee's powers, duties, authority and responsibilities:
1. The Commission shall select the trustee, subject to the consent of the Respondents, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed trustee within ten (10) days after notice by the staff of the Commission to Respondents of the identify of the proposed trustee, Respondents 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 Albany Facility Assets.
  3. Within ten (10) days after appointment of the trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission and, in the case of a court-appointed trustee, of the court, transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestiture required by this Order.
  4. The trustee shall have twelve (12) months from the date the Commission approves the trust agreement described in Paragraph III.B.3. 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 divestiture can be achieved 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, the Commission may extend this period only two (2) times.

5. The trustee shall have full and complete access to the personnel, books, records and facilities related to the Albany Facility Assets or to any other relevant information, as the trustee may request. Respondents shall develop such financial or other information as such trustee may request and shall cooperate with the trustee. Respondents shall take no action to interfere with or impede the trustee's accomplishment of the divestiture. Any delays in divestiture caused by Respondents shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed trustee, by the court.
- 6.

and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent on the trustee's divesting the Albany Facility Assets.

8. Respondents 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 trustee's duties, 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 losses, claims, damages, liabilities or

#### IV.

**IT IS FURTHER ORDERED** that:

- A. Respondents shall divest, absolutely and in good faith:
1. the Groton Large Parts Facility Assets as a competitive, viable, on-going business to Doncasters, in accordance with the Asset Purchase Agreement between Wyman-Gordon Investment Castings, Inc. and Doncasters dated October 8, 1999 within sixteen (16) business days of the date the Commission accepts the Consent Agreement for public comment; or
  2. the Groton Facility Assets, at no minimum price, to an Acquirer-Groton within six (6) months after the date the Respondents sign the Consent Agreement. Respondents shall divest the Groton Facility Assets pursuant to Paragraph IV.A.2. of this Order only to an Acquirer-Groton that receives the prior approval of the Commission and only in a manner that receives the prior approval of the Commission.

Provided that, if the Acquirer-Groton expresses a preference not to acquire any portion of the Groton Large Parts Facility Assets or the Groton Facility Assets, as applicable, and if the Commission approves the Acquirer-Groton and the Groton Divestiture Agreement, then Respondents shall not be required to divest that portion of such assets.

- B. The purpose of the divestiture of the Groton Large Parts Facility Assets or the Groton Facility Assets is to ensure that these assets continue to be used in the development, manufacture and sale of Aerospace Investment Cast Components in substantially the same manner and quality currently employed or achieved by Wyman-Gordon and to remedy the lessening of competition resulting from the acquisition as alleged in the Commission's complaint.
- C. With respect to Aerospace Investment Cast Components, the applicable Tooling for which existed at the Groton Large Parts Facility or, if applicable, the Groton Facility, at the time of the divestiture, Respondents shall provide, at cost, upon reasonable notice and request by the Acquirer-Groton, for a period not to exceed

- D. Respondents shall not provide, disclose or otherwise make available to any of their employees not involved in providing assistance to the Acquirer-Groton, any Non-Public Acquirer Information, nor shall Respondents use any Non-Public Acquirer Information obtained or derived by Respondents in their capacity as a provider of assistance pursuant to Paragraph IV.C., except for the sole purpose of providing assistance pursuant to Paragraph IV.C.
- E. Pending either the divestiture of the Groton Large Parts Facility Assets to Doncasters pursuant to Paragraph IV.A.1. of this Order or the divestiture of the Groton Facility Assets pursuant to Paragraphs IV.A.2. or V.A. of this Order, if applicable, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Groton Facility Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Groton Facility Assets except for ordinary wear and tear. Prior to divestiture, Respondents shall not transfer, without the consent of the Acquirer-Groton, any of the individuals identified pursuant to Paragraph IV.H. of this Order to any other position.
- F. For a period of twelve (12) months from the date the divestiture occurs, upon reasonable notice and request by a customer of any Aerospace Investment Cast Component(s) of a diameter or length twelve (12) inches or greater, Respondents shall:
1. transfer to the Groton Large Parts Facility or the Groton Facility, as applicable, all Tooling and Manufacturing Know-How located in any other Wyman-Gordon manufacturing facility, other than the Albany Facility, at any time prior to the date the Acquisition is completed, used in the development, manufacture and sale of the Aerospace Investment Cast Component(s) identified by the customer;
  2. pay all costs reasonably incurred in the delivery of such Tooling and Manufacturing Know-How to the Groton Large Parts Facility or the Groton Facility, as applicable;
  3. pay fifty (50) percent of the costs, if any, that are reasonably and necessarily incurred by the Acquirer-Groton in conforming such Tooling so as to enable the manufacture of Aerospace Investment Cast Component(s) to substantially the same quality employed or achieved by Wyman-Gordon; and
  4. with respect to such Tooling, pay fifty (50) percent of the costs, if any, that reasonably and necessarily are incurred by the Acquirer-Groton in

obtaining customer-required certification or approval for Aerospace Investment Cast Component(s) having substantially the same quality and using the same Manufacturing Know-How, as employed or achieved by Wyman-Gordon.

- G. Respondents shall comply with the terms of the Groton Divestiture Agreement, which is incorporated by reference into this Order, and made a part thereof. Any failure by Respondents to comply with the terms of the Groton Divestiture Agreement shall constitute a failure to comply with this Order.
- H. No later than the time of the execution the Groton Divestiture Agreement, Respondents shall provide the Acquirer-Groton with a complete list of all non-clerical, salaried employees of Wyman-Gordon's Groton Facility who have been involved in the development, manufacture or sale of any Aerospace Investment Cast Component at the Groton Facility, at any time during the period from January 1, 1999 until the date of the Groton Divestiture Agreement. The list shall state each individual's name, position or positions held from January 1, 1999 until the date of the Groton Divestiture Agreement, address, telephone number, and a description of the duties and work performed by the individual in connection with any Aerospace Investment Cast Component developed, manufactured or sold by Wyman-Gordon's Groton Facility. Respondents shall provide the Acquirer-Groton the opportunity to enter into employment contracts with such individuals, provided that such contracts are contingent upon the Commission's approval of the Groton Divestiture Agreement.
- I. Respondents shall provide the Acquirer-Groton with an opportunity to inspect the personnel files and other documentation relating to the individuals identified pursuant to Paragraph IV.H. of this Order to the extent permissible under applicable laws, at the request of the Acquirer-Groton any time after the execution of the Groton Divestiture Agreement.
- J. Respondents shall not enforce any confidentiality or non-compete restrictions relating to the Groton Large Parts Facility or the Groton Facility, as applicable, that apply to any employee identified pursuant to Paragraph IV.H. who accepts employment with the Acquirer-Groton. In addition, Respondents shall provide all Key Employees of the Groton Facility with reasonable financial incentives to continue in their employment positions, either (1) pending divestiture of the Groton Large Parts Facility Assets, or (2) during the period covered by the Order to Hold Separate, hereto attached, as applicable, in order that such employees may be in a position to accept employment with the Acquirer-Groton at the time of the divestiture. Such incentives shall include:
  - 1. continuation of all employee benefits offered by Wyman-Gordon until the

date of the divestiture, including regularly scheduled raises and bonuses;  
and

2. a bonus, based on the schedule identified in Appendix A, of an employee's annual salary (including any other bonuses) as of the date this Order becomes final, payable by Respondents six (6) months from the date the divestiture is accomplished, for any individual who is employed at that time by the Acquirer-Groton.
- K. For a period of one (1) year commencing on the date of the individual's employment by the Commission-approved Acquirer-Groton, Respondents shall not employ any of the Key Employees of the Groton Facility who have been offered employment with the Commission-approved Acquirer-Groton, unless the individual's employment has been terminated by the Acquirer-Groton.

## V.

### **IT IS FURTHER ORDERED** that

- A. If Respondents have not divested, absolutely and in good faith, and with the Commission's prior approval, the Groton Large Parts Facility Assets or Groton Facility Assets within the time required by Paragraph IV.A. of this Order, then the Commission may appoint a trustee to divest the Groton Facility Assets. The trustee may be the same person as the trustee appointed in Paragraph III.A. of this Order. In the event that the Commission or the Attorney General brings an action pursuant to § 5(l) of the Federal Trade Commission Act, 15 U.S.C. § 45(l), or any other statute enforced by the Commission, Respondents 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 court-appointed trustee, pursuant to § 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by the Respondents to comply with this Order.
- B. If a trustee is appointed by the Commission or a court pursuant to Paragraph V.A. of this Order, Respondents shall consent to the following terms and conditions regarding the trustee's powers, duties, authority and responsibilities:
1. The Commission shall select the trustee, subject to the consent of the Respondents, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the

reasons for opposing, the selection of any proposed trustee within ten (10) days after notice by the staff of the Commission to Respondents of the identify of the proposed trustee, Respondents 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 Groton Facility Assets.
3. Within ten (10) days after appointment of the trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission and, in the case of a court-appointed trustee, of the court, transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestiture required by this Order.
4. The trustee shall have twelve (12) months from the date the Commission approves the trust agreement described in Paragraph V.B.3. 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 divestiture can be achieved 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, the Commission may extend this period only two (2) times.
5. The trustee shall have full and complete access to the personnel, books,

shall divest to the acquiring entity selected by Respondents from among those approved by the Commission; provided further, however, that Respondents shall select such entity within five (5) business days of receiving notification of the Commission's approval.

7. The trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as the Commission or a court may set. The trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the trustee's duties and responsibilities. The trustee shall account for all monies derived from the divestiture 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 Respondents, and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent on the trustee's divesting the Groton Facility Assets.
8. Respondents 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 trustee's duties, 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 losses, claims, damages, liabilities, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.
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 V.A. of this Order.
10. The Commission or, in the case of a court-appointed trustee, the court,

competitiveness of the Groton Facility Assets.

12. The trustee shall have no obligation or authority to operate or maintain the Groton Facility Assets.
13. The trustee shall report in writing to Respondents and the Commission every sixty (60) days concerning the trustee's efforts to accomplish the divestiture.

## **VI.**

**IT IS FURTHER ORDERED** that:

- A. Within thirty (30) days after the date this order becomes final and every thirty (30) days thereafter until Respondents have fully complied with the provisions of Paragraphs II. through V. of this Order, Respondents shall submit to the

**IT IS FURTHER ORDERED** that Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate Respondents such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance