

UNITED STATES OF AMUNIT

In the Matter of)
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)
National Association ofAnimal Breeders, Inc.))

Docket No.C-4558

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent, and the proceeding is in the public interest.

ORDER

I.

IT IS HEREBY ORDERED that, as used in this Order, the following definitions shall apply:

- A. "Respondent" or "NAAB" means National Association of Animal Breeders, Inc., its directors, boards, officers, employees, agents, representatives, committees, foundations, divisions, successors, and assigns.
- B. "Antitrust Counsel" means a lawyer admitted to practice law in a Federal court or in the highest court of any State or Territory of the United States whose practice areas include antitrust law.
- C. "Antitrust Laws" means the Federal Trade Commission Act, as amended, 15 U.S.C. § 41 *et seq.*, the Sherman Act, 15 U.S.C. § 1 *et seq.* and the Clayton Act, 15 U.S.C. § 12 *et seq.*
- D. "Code of Ethics" means a statement setting forth the principles, values, standards, or rules of behavior that guide the conduct of an organization and its members.
- E. "FTC Settlement Statement" means the statement attached to this Order as Appendix A.
- F. "Member" means a member of NAAB, including any regular or associate member.
- G. "Organization Documents" means any document relating to the governance, management, or direction of the relevant organization, including, but not limited to, bylaws, rules, regulations, Codes of Ethics, policy statements, interpretations, commentaries, training materials or guidelines.
- H. "Regulating" means (1) adopting, maintaining, recommending, or encouraging that Members follow any rule, regulation, interpretation, ethical ruling, policy, commentary, or guideline; (2) taking or threatening to take formal or informal disciplinary action; or (3) conducting formal or informal investigations or inquiries.

II.

IT IS FURTHER ORDERED that Respondent, directly or indirectly, or through any corporate or other device, in or in connection with Respondent's activities as a professional association in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, do forthwith cease and desist from Regulating, restricting, restraining, impeding, declaring unethical or unprofessional, interfering with or advising against the advertising, publishing, stating, or disseminating by any Member of the prices, terms, availability, characteristics, or conditions of sale of animal breeding services, including but not limited to, the adoption or maintenance of any principle, rule, guideline, or policy that restricts

(b)

IV.

IT IS FURTHER ORDERED that Respondent shall design, maintain, and operate an antitrust compliance program to assure compliance with this Order and the Antitrust Laws

- A. No later than thirty (30) days from the date this Order is issued, Respondent shall appoint Antitrust Counsel for the duration of this Order to supervise Respondent's antitrust compliance program.
- B. For a period of five (5) years from the date this Order is issued, Respondent shall:
 - 1. Provide in person annual training to its board of directors, officers, and employees concerning Respondent's obligations under this Order and an overview of the Antitrust Laws as they apply to Respondent's activities, behavior, and conduct and
 - 2. Conduct a presentation at NAAB's annual convention that summarizes Respondent's obligations under this Order and provides appropriate guidance on compliance with the Antitrust Laws.
- C. No later than sixty (60) days after the date this Order is issued, Respondent shall implement policies and procedures to:
 - 1. Enable persons (including, but not limited to, its board of directors, officers, employees, Members, Member delegates, and agents) to ask questions about, and report violations of, this Order and the Antitrust Laws, confidentially and without fear of retaliation of any kind; and
 - 2. Discipline its board of directors, officers, employees, Members, and agents for failure to comply fully with this Order.

V.

IT IS FURTHER ORDERED that Respondent shall file a verified written report with the Commission setting forth in detail the manner and form in which it intends to comply, is complying, and has complied with this Order:

- A. No later than ninety (90) days after the date this Order is issued
- B. No later than one (1) year after the date this Order is issued and annually thereafter for four (4) years on the anniversary of the date on which this Order is issued, and at such other times as the Commission staff may request.

VI.

IT IS FURTHER ORDERED that Respondent shall notify the Commission at least thirty (30) days prior to any proposed:

- A. Dissolution of Respondent;
- B. Acquisition, merger, or consolidation of Respondent; or
- C. Any other change in Respondent, including, but not limited to, assignment, the creation or dissolution of subsidiaries, if such change might affect compliance obligations arising out of this Order.

VII.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, and subject to any recognized privilege, and upon written request and upon five (5) days' notice to Respondent, Vrequest2(o)108p tnT6022VltVlti [(3(p)10t)-2((n

whether the animal was purchased or sold at private treaty, public auction, or in any other context.

The Decision and Order does not prohibit NAAB from adopting and enforcing Codes of Ethics or similar documents that govern the conduct of members with respect to representations that NAAB reasonably believes would be false or deceptive within the meaning of Section 5 of the Federal Trade Commission Act.

A copy of the Decision and Order is enclosed. It is also available on the Federal Trade Commission website at www.FTC.gov and through the NAAB web site.