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10
 11 SUPERIOR COURT OF CALIFORNIA
 12 COUNTY OF SACRAMENTO



13 STATE OF CALIFORNIA,

14 Plaintiff,

15 v.

16 NATIONWIDE WIRE & BRUSH MFG., INC.,

17 Defendant.

No. 05AS03942

FINAL JUDGMENT
 PURSUANT TO
 STIPULATION

19
 20 WHEREAS, the State of California (hereinafter, Plaintiff), through its attorney, BILL
 21 LOCKYER, Attorney General of the State of California, by Winston H. Chen and Emilio E.
 22 Varanini, Deputy Attorneys General and Defendant Nationwide Wire & Brush Mfg., Inc., have
 23 stipulated to the entry of this Final Judgment without trial or adjudication of any issue of fact or law,
 24 and without this Final Judgment constituting any evidence against, or any admission by, any party
 25 regarding any such issue of fact or law;

26 AND WHEREAS, Plaintiff requires Nationwide Wire & Brush Mfg., Inc. to agree to
 27 certain procedures and prohibitions for the purpose of restoring the loss of competition alleged in
 28 the Complaint, allegations that Nationwide Wire & Brush Mfg., Inc. neither admit nor deny;

1
 FINAL JUDGMENT PURSUANT TO STIPULATION

1 AND WHEREAS, Nationwide Wire & Brush Mfg., Inc., agrees to be bound by the
2 provisions of this Final Judgment;

3 NOW THEREFORE, before any testimony is taken, without trial or adjudication of any
4 issue of fact or law, and upon consent of the parties, it is ORDERED, ADJUDGED AND
5 DECREED:

6 I. JURISDICTION

7 This Court has jurisdiction over the subject matter of and each of the parties to this action.
8 The Complaint states a claim upon which relief may be granted against Nationwide Wire & Brush
9 Mfg., Inc. under the Cartwright Act (Bus. & Prof. Code § 16720 et seq.), the Unfair Competition
10 Law (Bus. & Prof. Code § 17200 et seq.), and the False Claims Act (Gov't Code § 12650 et. seq.).

11 II. DEFINITIONS

12 As used in this Final Judgment:

13 (A) "Nationwide" means Defendant Nationwide Wire and Brush Mfg., Inc., a corporation
14 organized and existing under the laws of the State of California with its headquarters in Galt,
15 California, its principals, directors, officers, managers, agents and employees, its successors,
16 including United Rotary Brush Corporation of California, Inc., and their principals, directors,
17 officers, managers, agents, employees, and assigns, and its subsidiaries, divisions, groups, affiliates,
18 partnerships, and joint ventures, including their directors, officers, managers, agents and employees.

19 (B) "Plaintiff" means the State of California.

20 (C) "Bid-rigging" means any agreement, combination or conspiracy between actual or
21 potential competitors pursuant to which contract offers or terms to a third party, including bids,
22 quotations or purchase orders are to be set, fixed, submitted or withheld.

23 (D) The terms "and" and "or" have both conjunctive and disjunctive meanings.

24 III. APPLICABILITY

25 (A) This Final Judgment applies to Nationwide, as defined above, and all other persons
26 in active concert or participation with any of them who receive actual notice of this Final Judgment
27 by personal service or otherwise.

28 (B) For a period of ten years commencing with the date the Court enters this Final

1 Judgment, Defendant shall require, as a condition of the sale or other disposition of all or
2 substantially all of their assets or of lesser business units, that the purchaser agrees to be bound by
3 the provisions of this Final Judgment.

4 **IV. PROHIBITED AND REQUIRED CONDUCT**

5 (A) Nationwide is enjoined and restrained from, in any manner, directly or indirectly,
6 entering into, continuing, soliciting, maintaining, engaging, or renewing any market or customer
7 allocation agreement or scheme with any competitor in the market for street sweeping supplies, parts
8 and services.

9 (B) Nationwide shall not engage in actual or attempted bid-rigging activities, including
10 the submission and/or solicitation of shadow bids.

11 (C) For a period of five (5) years commencing upon entry of the Final Judgment,
12 Nationwide shall provide thirty (30) days advance written notice in accordance with Section VII,
13 below, of any merger, sale or joint venture involving Nationwide with any other company involved
14 in street sweeping supplies, parts and services. If requested by Nationwide at the time of notice, the
15 Attorney General will keep the merger notification confidential under the same provisions governing
16 the confidentiality of investigative subpoenas under California law, i.e., Government Code section
17 11180 et. seq. If disclosure of the notification is requested by any member of the public pursuant to
18 the California Public Records Act, the Attorney General will assert all applicable exemptions to the
19 California Records Act, including but not limited to §§ 6254 and 6255 of the Government Code. The
20 parties understand that this confidentiality provision will not apply should the Attorney General file
21 a lawsuit challenging the transaction that is the subject of this notification or if the news of the
22 transaction has been made public by the parties to the transaction.

23 (D) Within fifteen (15) days of the filing of the Complaint, Nationwide shall send a
24 notice, with language approved by the Plaintiff, to American Rotary Broom Company, Inc., formerly
25 known as San Diego Rotary Broom Company, Inc., located in Escondido, California, and Acme
26 Rotary Broom Service, located in Fresno, California, that states:

27 1. Nationwide will not enter into any agreements or participate in any schemes
28 that violate the state and federal antitrust laws; and

1 2. Nationwide will not act as an exclusive distributor for any of the
2 aforementioned entities.

3 (E) Copies of the notices described in paragraph IV (D) shall be sent to Plaintiff
4 at the same time they are mailed to American Rotary Broom Company, Inc. and Acme Rotary
5 Broom Service.

6 (F) After the notices in paragraph IV(D) are sent out by Nationwide, Nationwide
7 will be free to choose where and with whom it wishes to do business as long as any said decisions
8 are made unilaterally and not as part of any agreement, combination, or conspiracy involving any
9 of its competitors and subject to paragraphs IV(A) through IV(D).

10 **V. RELEASE**

11 (A) The Plaintiff releases all state civil claims, as well as all federal civil antitrust
12 claims, of the State of California against Nationwide relating to or arising out of the facts that are
13 set forth in the Complaint filed in this matter.

14 **VI. OTHER RELIEF**

15 (A) Nationwide shall pay the sum of \$22,500.00 in civil penalties for the alleged
16 violations of California Business & Professions Code section 17200 et seq. Said payment shall be
17 made within thirty (30) calendar days of entry of judgement by providing the California Attorney
18 General's Office with a check made payable to the State of California in the amount of \$22,500.00.

19 (B) The California Attorney General is awarded reasonable fees and investigative
20 costs in the amount of \$22,500.00. Nationwide shall pay the sum of \$22,500.00 within thirty (30)
21 calendar days of entry of judgment by a check made payable to the California Attorney General.

22 **VII. NOTICE**

23 For purposes of this Final Judgment, any notice or other communication shall be
24 given to the persons at the addresses set forth below (or such other addresses Parties may specify
25 in writing by providing notice at the addresses listed below):

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27 ///

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1 For the California Attorney General:
2 Winston H. Chen
3 Deputy Attorney General
4 Antitrust Law Section
5 Office of the California Attorney General
6 300 South Spring Street, Suite 1702
7 Los Angeles, California 90013

8 For Nationwide Wire & Brush Mfg., Inc.,
9 and United Rotary Brush Corporation of California, Inc.:
10 Matthew G. Jacobs, Esq.
11 DLA Piper Rudnick Gray Cary US, LLP
12 400 Capitol Mall, Suite 2400
13 Sacramento, CA 95814

14 **VIII. RETENTION OF JURISDICTION**

15 This Court retains jurisdiction to enable any party to this Final Judgment to apply to
16 this Court at any time for further orders and directions as may be necessary or appropriate to carry
17 out or construe this Final Judgment, to modify any of its provisions, except for the expiration date
18 of this Final Judgment, to enforce compliance, and to punish violations of its provisions.

19 **IX. EXPIRATION OF FINAL JUDGMENT**

20 This Final Judgment shall expire ten years from the date of its entry.

21 Dated: _____

22 
23 JUDGE OF THE SUPERIOR COURT