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**F I L E D**  
Clerk of the Superior Court  
SEP - 8 2005  
By: P. WOODS, Deputy

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SAN DIEGO

**STATE OF CALIFORNIA,**  
  
Plaintiff,  
  
v.  
  
**AMERICAN ROTARY BROOM COMPANY, INC.,**  
(formerly known as San Diego Rotary Broom  
Company, Inc.),  
  
Defendant.

**GIC**  
No. **853579**  
**FINAL JUDGMENT  
PURSUANT TO  
STIPULATION**

WHEREAS, the State of California (hereinafter, Plaintiff), through its attorney, BILL LOCKYER, Attorney General of the State of California, by Winston H. Chen and Emilio E. Varanini, Deputy Attorneys General, and Defendant American Rotary Broom Company, Inc. have stipulated to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against, or any admission by, any party regarding any such issue of fact or law;

AND WHEREAS, Plaintiff requires American Rotary Broom Company, Inc., to agree to certain procedures and prohibitions for the purpose of restoring the loss of competition alleged in

1 the Complaint;

2 AND WHEREAS, American Rotary Broom Company, Inc., agrees to be bound by the  
3 provisions of this Final Judgment;

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

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**I. JURISDICTION**

9 This Court has jurisdiction over the subject matter of and each of the parties to this action.  
10 The Complaint states a claim upon which relief may be granted against American Rotary Broom  
11 Company, Inc. under the Cartwright Act (Bus. & Prof. Code § 16720 et seq.), the Unfair  
12 Competition Law (Bus. & Prof. Code § 17200 et seq.), and the False Claims Act (Gov't Code §  
13 12650 et. seq.).

14

**II. DEFINITIONS**

15 As used in this Final Judgment:

16 (A) "American Rotary" means Defendant American Rotary Broom Company, Inc.,  
17 formerly known as San Diego Rotary Broom Company, Inc., a corporation organized and existing  
18 under the laws of the State of California with its headquarters in Escondido, California, its directors,  
19 officers, managers, agents and employees, its successors and assigns, and its subsidiaries, divisions,  
20 groups, affiliates, partnerships, and joint ventures, including their directors, officers, managers,  
21 agents and employees.

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

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

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

27

**III. APPLICABILITY**

28 (A) This Final Judgment applies to American Rotary, as defined above, and all other

1 persons in active concert or participation with any of them who receive actual notice of this Final  
2 Judgment by personal service or otherwise.

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

6 **IV. PROHIBITED AND REQUIRED CONDUCT**

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

11 (B) American Rotary shall not engage in actual or attempted bid-rigging activities,  
12 including the submission and/or solicitation of shadow bids.

13 (C) For a period of five (5) years commencing upon entry of the Final Judgment,  
14 American Rotary shall provide thirty (30) days advance written notice in accordance with Section  
15 VII, below, of any merger, sale or joint venture involving American Rotary with any other company  
16 involved in street sweeping supplies, parts and services.

17 (D) Within fifteen (15) days of the filing of the Complaint, American Rotary shall send  
18 a notice, with language approved by the Plaintiff, to United Rotary Brush Corporation of California,  
19 Inc. (formerly known as Nationwide Wire and Brush Mfg., Inc.), located in Galt, California, and  
20 Acme Rotary Broom Service, located in Fresno, California, that states:

21 1. American Rotary will not enter into any agreements or participate in any  
22 schemes that violate the state and federal antitrust laws and;

23 2. American Rotary will not act as an exclusive distributor for any of the  
24 aforementioned companies.

25 (E) Copies of the notices described in paragraph IV (D) shall be sent to Plaintiff  
26 at the same time they are mailed to Acme Rotary Broom Service and United Rotary Brush  
27 Corporation of California, Inc.

28 (F) After the notices in paragraph IV(D) are sent out by American Rotary,

1 American Rotary will be free to choose where and with whom it wishes to do business as long as any  
2 said decisions are made unilaterally and not as part of any agreement, combination, or conspiracy  
3 involving any of its competitors and subject to paragraphs IV(A) through IV(D).

4 (G) American Rotary shall provide documents and testimony at the request of the  
5 Plaintiff, as if he were a party, in any action initiated by the Plaintiff involving violations of any court  
6 orders, or of antitrust, unfair competition, and/or false claims laws, involving the companies listed  
7 in paragraph IV (D). However, American Rotary retains its Fifth Amendment privilege against self-  
8 incrimination to the extent provided by law.

9 **V. RELEASE**

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

14 **VI. OTHER RELIEF**

15 (A) American Rotary shall pay the sum of \$22,500.00 in civil penalties for the  
16 alleged violations of California Business & Professions Code section 17200 et seq. Said payment  
17 shall be made within thirty (30) calendar days of entry of judgement by providing the California  
18 Attorney General's Office with a check made payable to the State of California in the amount of  
19 \$22,500.00.

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

23 **VII. NOTICE**

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

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28 ///

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 American Rotary:  
9                    Gregory A. Vega, Esq.  
10                    Seltzer, Caplan, McMahon & Vitek  
11                    2100 Symphony Towers  
12                    750 B Street  
13                    San Diego, CA 92101

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, to enforce compliance, and to  
18                    punish violations of its provisions.

19                    **IX. EXPIRATION OF FINAL JUDGMENT**

20                    Unless this Court grants an extension, this Final Judgment shall expire ten years from  
21                    the date of its entry.

22                    Dated: SEP - 8 2005

23                    **Francis M. Devaney**  
24                    \_\_\_\_\_  
25                    JUDGE OF THE SUPERIOR COURT