(RMP) for the Grand Resource Area, Grand and San Juan Counties, Utah. The Proposed Amendment is for the purpose of (1) livestock grazing use adjustments; (2) flexibility to modify grazing season; and (3) allowance to consider future proposals for livestock use adjustments.

The Livestock Requirements under current management actions are proposed to be amended. The proposed plan amendment would (1) allow for Livestock Grazing Use Adjustments on the following livestock grazing allotments: Cisco, Bogart, Diamond, Cottonwood, Main Canyon, Middle Canyon, South Sand Flats, North Sand Flats, Between The Creeks, and Arth's Pasture. A portion of the forage previously reserved for livestock would be reallocated to non-livestock purposes (enhancement of wildlife, riparian vegetation, watershed, and recreation values). In total, over 6,000 Animal Unit Months are proposed to be reallocated from livestock to non-livestock purposes; (2) allow additional flexibility to modify the grazing season of use for individual allotments; and (3) allow for future proposals to make adjustments in Livestock Grazing Use within the resource area.

DATES: The protest period for this proposed plan amendment will commence with publication of this notice. Comments must be submitted on or before February 13, 1995.

FOR FURTHER INFORMATION CONTACT: Brad Palmer, Grand Resource Area Manager, 82 East Dogwood, Suite G, Moab, Utah 84532, telephone (801) 259–8193. Copies of the environmental assessment and proposed amendment are available for review at the Grand Resource Area Office.

SUPPLEMENTARY INFORMATION: This action is announced pursuant to section 202(a) of the Federal Land Policy and Management Act of 1976 and 43 CFR part 1610. The proposed plan amendment is subject to protest from any adversely affected party who participated in the planning process. Protest must be made in accordance with the provisions of 43 CFR 1610.5–2. Protests must be SPECIFIC and must contain at a minimum the following information:

—The name, mailing address, telephone number, and interest of the person filing the protest.

—A statement of the issue or issues being protested.

—A statement of the part or parts being protested and a citing of pages, paragraphs, maps, etc., of the proposed plan amendment, where practical.

—A copy of all documents addressing the issue(s) submitted by the protester during the planning process or a reference to the date when the protester discussed the issue(s) for the record.

—A concise statement as to why the protestor believes the BLM State Director's decision is incorrect.

Protests must be received by the Director of the Bureau of Land Management (WO–760), MS 406 L St., 1849 C Street NW, Washington, DC 20240, within 30 days after the date of publication of this Notice of Availability for the proposed plan amendment.

G. William Lamb,

Acting State Director.

[FR Doc. 95–881 Filed 1–12–95; 8:45 am]

BILLING CODE 4310–PQ–P

Minerals Management Service

Environmental Documents Prepared for Proposed Oil and Gas Operations on the Gulf of Mexico Outer Continental Shelf (OCS)

AGENCY: Minerals Management Service, Interior.

ACTION: Publication of revised Outer Continental shelf protraction diagrams.

SUMMARY: Notice is hereby given that effective with this publication, the following Louisiana Leasing Maps, last revised on the date indicated, are on file and available for information only, in the Gulf of Mexico OCS Regional Office, New Orleans, Louisiana. In accordance with Title 43, Code of Federal Regulations, these Official Protraction Diagrams are the basic record for the description of mineral and oil and gas lease sales in the geographic areas they represent.

*REVISED MAPS

Description	Latest revision date
South Timbalier Area, LA–6.	December 30, 1994.
Bay Marchand Area, LA–6C.	December 30, 1994.

*Changes include separation of Louisiana Leading Map South Timbalier and Bay Marchand Areas, LA–6, to form individual Louisiana Leasing Maps South Timbalier Area, LA–6, and Bay Marchand Area, LA–6C.

FOR FURTHER INFORMATION CONTACT: Copies of these Official Protraction Diagrams may be purchased for $2.00 each from the Public Information Unit (MS 5034), Minerals Management Service, Gulf of Mexico OCS Region, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123–2394 or by telephone at (504) 736–2519.

SUPPLEMENTARY INFORMATION: Technical comments or questions pertaining to these maps should be directed to the Office of Leasing and Environment, Supervisor, Sales and Support Unit at (504) 736–2768.

Dated: January 4, 1995.

Chris C. Oynes,

Acting Regional Director, Gulf of Mexico OCS Region.

[FR Doc. 95–853 Filed 1–12–95; 8:45 am]

BILLING CODE 4310–MR–M

INTERSTATE COMMERCE COMMISSION

Availability of Environmental Assessments

Pursuant to 42 U.S.C. 4332, the Commission has prepared and made available environmental assessments for the proceedings listed below. Dates environmental assessments are available are listed below for each individual proceeding.

To obtain copies of these environmental assessments contact Ms. Tawanna Glover-Sanders, Interstate Commerce Commission, Section of Environmental Analysis, Room 3219, Washington, DC 20423, (202) 927–6203.

Comments on the following assessment are due 15 days after the date of availability:

AB–290 (Sub-No. 162X), Norfolk and Western Railway Company—Abandonment—Between Anawalt and Jenkinjones, West Virginia. Comments on the following assessment are due 30 days after the date of availability:

AB–55 (Sub-No. 496X), CSX Transportation, Inc.—Abandonment—In Hamilton County, Ohio.

Vernon A. Williams,

Secretary.

[FR Doc. 95–904 Filed 1–12–95; 8:45 am]

BILLING CODE 7035–01–P

DEPARTMENT OF JUSTICE

Antitrust Division

United States v. Steinhardt Management Company, Inc.; and Caxton Corporation; Proposed Final Judgment and Competitive Impact Statement

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. 6 (b) through (h), that a proposed Final Judgment, Stipulation, and Competitive Impact Statement have

been filed with the United States District Court for the Southern District of New York in *United States* v. *Steinhardt Management Company, Inc.; and Caxton Corporation*, Civil Action No. 94–9044 (RPP).

The Complaint in this case alleges that the defendants conspired to restrain competition in markets for specified United States Treasury securities by agreeing to coordinate their actions in trading the specified Treasury securities, in violation of Section 1 of the Sherman Act, 15 U.S.C. 1.

The proposed Final Judgment enjoins the defendants from agreeing with each other or with any other person (A) to restrain trade in the cash and/or financing markets for Treasury securities in violation of the antitrust laws of the United States; (B) to purchase, sell, or refrain from purchasing or selling any Treasury security issue to or through a particular person; or (C) to withhold all or part of a defendant's or another person's position in a Treasury security issue from the cash or financing markets. Certain of these prohibitions are subject to limitations or exceptions which are discussed more fully in the accompanying Competitive Impact Statement. Each defendant is also required to appoint an antitrust compliance officer and establish an antitrust compliance program with specified requirements.

Public comment is invited within the statutory 60-day comment period. Such comments, and responses thereto, will be published in the **Federal Register** and filed with the Court. Comments should be directed to John F. Greaney, Chief, Computers & Finance Section, Antitrust Division, Department of Justice, Suite 9901, 555 4th Street NW., Washington, D.C. 2001, (telephone: 202/307–6200).

Constance K. Robinson,

Director of Operations Antitrust Division.

United States District Court Southern District of New York, United States of America, Plaintiff, v Steinhardt Management Company, Inc.; and Caxton Corporation, Defendants, and $12,500,000 that is the Property of Steinhardt Management Company, Inc.; Steinhardt Management, Company, Inc., Real Party in Interest and $12,500,000 that is the property of Caxton Corporation, Caxton Corporation, Real Party in Interest.

Complaint

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable and other relief against the defendant entities and to obtain forfeiture of the defendant property and complains and alleges:

I. Jurisdiction and Venue

1. This action is brought under Sections 4 and 6 of the Sherman Act, 15 U.S.C. §§ 4, 6, as amended, to restrain violation of Section 1 of the Sherman Act, 15 U.S.C. § 1, as amended, and to obtain forfeiture of property owned pursuant to a contract, combination or conspiracy in violation of Section 1 of the Sherman Act. The Court has jurisdiction over this matter pursuant to Section 4 of the Sherman Act and 28 U.S.C. §§ 1345, 1355.

2. Venue is proper in this district under Section 12 of the Clayton Act, 15 U.S.C. § 22, as amended, and under 28 U.S.C. § 1391(c) because the defendant entities transact business and are found in the Southern District of New York.

3. This is an *in rem* proceeding against the defendant property. That property is in the defendant entities' bank accounts in the Southern District of New York.

II. Description of the Conspiracy

4. This action arises from an unlawful combination and conspiracy among the defendant entities, Steinhardt Management Company (''SMC'') and Caxton Corporation (''Caxton''), and other persons, to restrain interstate trade and foreign commerce in the 7.00% United States Treasury notes auctioned on April 24, 1991 (''April notes'') by withholding the notes from the markets for such securities in order to profit from the artificial shortage, or ''squeeze,'' resulting from the withholding of supply.

5. Beginning in mid-April 1991, Caxton and SMC each bought large, leveraged long positions in the April notes. As of mid-May 1991, their combined position in the issue was almost $20 billion. This combined position represented about 160% of the approximately $12 billion of April notes issued by the United States Treasury. Between early May 1991 and mid-September 1991, SMC and Caxton, in combination, owned (''held'') from $12 billion to $19 billion April notes.

6. The purchases of April notes by Caxton and SMC had the effect of concentrating ownershp of the issue and, simultaneously, creating a substantial ''short'' position on it. Once created, this short position could be utilized only if the defendant entities reduced the size of their positions in the April notes.

7. Caxton and SMC effectively controlled the supply of April notes available to both the ''cash market'' (where purchases and sales occur) and the ''financing market'' (where persons with leveraged long positions, such as the defendant entities, borrow money in order to buy or to continue to hold an issue. Short sellers in both markets were required, in effect, to buy or borrow April notes from Caxton or SMC.

8. After accumulating their position in the April notes, the defendant entities and their coconspirators acted to restrict the supply of April notes to short sellers. The consequences of this action was to cause short sellers to bid up prices for April notes in the cash and financing markets. From the latter part of May 1991 through mid-September 1991, Caxton and SMC and their coconspirators withheld significant quantities of April notes from the cash and financing markets. Due to this constriction in supply, the price of April notes in the cash market was increased; likewise, interest rates charged to finance a position in the April notes were depressed.

9. As a result of the actions taken by the defendant entities and their coconspirators, they and their coconspirators earned substantial profits from the low financing rates and high cash prices of the April notes caused by their actions.

III. Defendants

10. SMC is a New York corporation with its principal place of business in New York, New York. SMC manages several investment funds. As manager of those funds, SMC purchased and financed April notes. SMC is the real party in interest related to the $12,500,000.00 of defendant property it owns and controls.

11. Caxton is a Delaware corporation, with its principal place of business in New York, New York. Caxton manages several investment funds. As manager of those funds, Caxton purchased and financed April notes. Caxton is the real party in interest related to the $12,500,000.00 of defendant property it owns and controls.

12. The investment funds SMC and Caxton manage compete with numerous investors and traders in the sale, purchase, financing, and lending of specific issues of United States Treasury securities.

13. Various persons not made defendants in this action have participated as co-conspirators in the violations alleged in this Complaint and have performed acts and made statements in furtherance of the conspiracy.

IV. The Markets for April Notes

14. When the owner of a specific Treasury security holds a position in

that issue that exceeds the amount of the issue available for purchase by short sellers in the cash or financing markets, a ''squeeze'' can occur. A squeeze is especially likely to succeed if the size of the position held by the single owner, or the combined position of the coordinating holders, exceeds the amount of the issue available to cover short positions through repurchase or ''repo'' agreements in the financing market. When a squeeze occurs, short sellers are required to pay abnormally high prices or to incur abnormally high financing costs to buy or borrow the specific security they are short.

15. Purchasers of Treasury securities that wish to leverage their investments, such as the defendant entities, usually finance their positions in the financing market. In a financing market transaction, the owner of a security sells the issue and simultaneously agrees to repurchase it on a specified date for a specified price. The repurchase price is higher than the sale price, the difference between the two prices representing an interest rate, called the ''repo rate''. A financing market transaction is the functional equivalent of a loan in which Treasury securities are used as collateral.

16. Short sellers (traders who sell securities they do not own in the expectation that the price will fall) must purchase or borrow the specific security that they are obligated to deliver in order to fulfill their obligations. An investor who needs to borrow a specific Treasury security issue can do so in the financing market, through ''special'' repo transactions in which the investor (short seller), in effect, lends cash in exchange for collateral of a specific issue.

17. There are separate product markets within the meaning of the antitrust laws for specific Treasury issues within both the cash and financing markets. Some traders speculate in the financing market for specific issues, lending cash and accepting securities as collateral, in the hope that they can re-lend the collateral to someone else at a profit. Interest rates for special repo transactions in the financing markets fluctuate widely because they reflect supply and demand for a particular security. If a security is in short supply, the repo rate for that issue will generally be low because owners will be able to negotiate lower repo rates from short sellers competing to borrow the scarce security.

18. Prices in the cash and financing markets are related. When it is costly to borrow a specific security, demand for it in the cash market will increase if some traders buy, rather than borrow, it. As a result, the issue may cost more than other securities of comparable maturity. Similarly, a high price in the cash market (compared to securities of like maturity) may cause short sellers to borrow a security through repurchase agreements rather than buy it. That increased demand may depress repo rates. The holder of a specific issue can earn a premium when lending or selling that security when demand for it is great in either the cash or financing market.

19. The owner of a large position in a specific issue, or two or more holders acting together, can limit the supply of that issue available to the specials market by financing all or part of their positions ''off the street,'' that is, with parties who will not re-lend the securities. Such a restriction of supply can precipitate a squeeze when demand for the issue exceeds the supply made available. In that situation, investors who must borrow the issue must accept very low interest rates in the repo market (on the cash they lend to obtain the issue), enabling the owner or owners of the issue to earn a premium for making the security available.

20. Sellers of Treasury securities transmit securities to buyers in interstate commerce through the Federal Reserve System. The business activities of the defendant entities and co-conspirators that are the subject of this complaint were within the flow of, and substantially affected, interstate trade and commerce.

V. The Conspiracy

21. Beginning in or about April 1991, Caxton and SMC agreed to acquire control of the supply of April notes and to limit the supply of April notes to the cash and financing markets in order to cause a squeeze and to profit thereby. To achieve the objectives of the conspiracy, the defendant entities did the things they agreed to do, including:

a. purchasing and holding extremely large long positions in the April notes;

b. exchanging information about their positions in the April notes;

c. discussing ways to finance their positions in the April notes in a manner that would restrict the supply of the notes available to the cash and financing markets;

d. restricting the supply of April notes available for specials transactions, beginning on May 23, 1991;

e. instructing a primary dealer at which SMC concentrated the financing of its April note position to make the notes available for specials transactions only if the repo rate was below a specified level (and giving other directions to constrict supply availability);

f. placing a part of Caxton's position in the April notes with a primary dealer that Caxton understood would place the notes with investors who were not likely to lend them;

g. concentrating the financing of their positions with a single dealer; and

h. continuing to hold their positions in the April notes at times when they could have sold some or all of these positions at a substantial premium.

22. As a result of the conspiracy, repo rates for the April notes in the financing market declined and cash market prices for the notes increased. Repo rates for April notes generally remained low and cash market prices high until September 1991, when the joint position of SMC and Caxton fell below the amount necessary to continue the squeeze.

VI. Anticompetitive Effects of the Conspiracy

23. The combination and conspiracy to restrain interstate trade and commerce in April notes had, among other things, the following effects:

a. SCM and Canton obtained market power over the April notes;

b. Persons who sold April notes short were denied the benefits of free and open competition in the cash and financing markets for April notes, resulting in higher costs to finance and purchase April notes;

c. Price competition for April notes was unreasonably restrained;

d. Liquidity in the markets for April notes was reduced; and

e. The Treasury was denied the benefits of a free and competitive secondary market for April notes.

24. The combination and conspiracy affected a substantial amount of interstate commerce and is likely to recur unless it is enjoined by this Court.

VII. Prayer for Relief

Wherefore, plaintiff prays for relief as follows:

1. That the Court adjudge and decree that SCM and Canton have combined and conspired in unreasonable restraint of interstate trade and commerce in April notes, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.

2. That SCM and Canton and all persons acting on behalf of either of them or under their direction or control be permanently enjoined from engaging in, carrying out, renewing, or attempting to engage in, carry out, or renew, any contracts, agreements, practices, or understandings in violation of the Sherman Act.

3. That the defendant property be forfeited to the United States.

4. That plaintiff have such other relief as the Court may consider necessary or appropriate.

5. That plaintiff recover the costs of this action.

Dated:

Anne K. Bingaman,

Assistant Attorney General.

Robert Titan,

Assistant Attorney General.

Mark C. Schechter,

Deputy Director of Operations.

John F. Greaney,

Chief, Computers and Finance Section.

Jonathan M. Rich,

Assistant Chief, Computers and Finance Section.

Hays Corey, Jr.,

HG1946.

Kenneth W. Gaul,

Attorneys, Antitrust Division, United States Department of Justice, 555 4th St., N.W., Washington, DC 20001.

United States District Court Southern District of New York, United States of America, Plaintiff, v. Steinhardt Management Company, Inc.; and Caxton Corporation, Defendants, and $12,500,000 That is the Property of Steinhardt Management Company, Inc.; Steinhardt Management, Company, Inc., Real Party in Interest and $12,500,000 That is the Property of Caxton Corporation, Caxton Corporation, Real Party in Interest. 94 Civ. 9044.

Stipulation

It is hereby stipulated and agreed, by and between the undersigned parties, by their respective attorneys, that:

1. The parties consent that a Final Judgment in the form hereto attached may be filed and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), and without further notice to any party or other proceedings, provided that plaintiff has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on defendants and by filing that notice with the Court.

2. The parties shall abide by and comply with the provisions of the Final Judgment pending entry of the Final Judgment.

3. In the event plaintiff withdraws its consent or if the proposed Final Judgment is not entered pursuant to this Stipulation, this Stipulation will be of no effect whatever, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

December 14, 1994.

For Plaintiff United States of America.

John F. Greaney,

Chief, Computers and Finance Section, Antitrust Division, Department of Justice.

December 15, 1994.

For Defendant Steinhardt Management Company, Inc..

Frederick P. Schaffer,

December 15, 1994.

For Defendant Caxton Corporation.

Richard J. Wiener.

United States District Court Southern District of New York, United States of America, Plaintiff, v. Steinhardt Management Company, Inc.; and Caxton Corporation, Defendants, and $12,500,000 That is the Property of Steinhardt Management Company, Inc.; Steinhardt Management, Company, Inc., Real Party in Interest and $12,500,000 That is the Property of Caxton Corporation, Caxton Corporation, Real Party in Interest. 94 Civ. 9044.

Final Judgment

Whereas Plaintiff, United States of America, having filed its Complaint in this action on December 16, 1994, and plaintiff and defendant entities, by their respective attorneys, having consented 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 or admission by any party with respect to an issue of fact or law;

And Whereas defendant entities have agreed to be bound by Section IV of this Final Judgment pending its approval by the Court;

Now Therefore, before any testimony is taken, and without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is hereby

Ordered, Adjudged and Decreed:

I

Jurisdiction

This Court has jurisdiction of the subject matter of this action and of the person of the defendant entities and of the defendant property by virtue of 28 U.S.C. §§ 1345, 1355. Venue exists in this Court pursuant to 28 U.S.C. § 1395(b). The Complaint states a claim upon which relief may be granted under Sections 1 and 6 of the Sherman Act, 15 U.S.C. §§ 1, 6.

II

Definitions

As used in this Final Judgment:

1. ''Agree'' means to enter into any contract, combination, conspiracy, concert of action, or mutual understanding, formal or informal, express or implied, with any other person.

''Any'' means one or more.

3. ''Cash market'' means the market in which Treasury securities are bought and sold, and includes the when-issued market and the secondary market.

4. ''CUSIP number'' means the alphanumeric description of a Treasury security established by the American Bankers Association's *C*ommittee on *U*niform *S*ecurities *I*dentification *P*rocedures.

5. ''Defendant entities'' means Steinhardt Management Company, Inc. and Caxton Corporation.

6. ''Finance'' or ''financing transaction'' means any transaction whereby a person who has a position in an issue obtains cash or credit from another person by using such position as collateral, including any transaction pursuant to which possession or ownership of a position in an issue is transferred by one party to another with a simultaneous agreement that the second party will later return such position to the first party, such as a repurchase agreement, a reverse repurchase agreement, or a borrow versus pledge agreement.

7. ''Financing market'' means the market for financing positions in Treasury securities through which an issue may be made available to holders of short positions in that issue.

8. ''Includes'' or ''including'' means includes, but is not limited to.

9. ''Issue'' means a particular marketable United States Treasury security, as distinguished from all others by its CUSIP number.

10. ''Or'' means either or both, and is used as a word of inclusion rather than exclusion.

11. ''Other person'' means a person other than: a defendant entity; any subsidiary, officer, director, employee, agent, successor, or assign of a defendant entity; any person who makes, or has authority to make, trading or investment decisions on behalf of a defendant entity in the cash or financing markets; any person in which any shareholder in a defendant entity as of the date of entry of this Final Judgment makes, or has authority to make, trading or investment decisions in the cash or financing markets; any account or assets managed on a discretionary basis by a defendant entity or, while acting in respect to such account or assets, by a defendant entity's designee.

12. ''Person'' means any individual, partnership, firm, corporation, association, sole proprietorship, joint venture, or other business or legal entity, whether or not organized for profit.

13. ''Position'' means the quantity of an issue held, whether outright or as the

consequence of any financing transaction, except that a person shall not be deemed to have obtained a position in an issue as the result of having engaged in a financing transaction with a defendant entity.

14. ''Treasury auction'' means any auction of Treasury securities conducted by or on behalf of the United States Department of the Treasury.

15. ''Treasury security'' means any marketable United States Treasury bill, note, or bond.

16. ''Withhold'' means to decline to sell or finance for any period of time part or all of a position in any issue.

Use of either the singular or plural should not be deemed a limitation and the use of the singular should be construed to include, where applicable, the plural and vice versa.

III

Applicability

This Final Judgment shall apply to the defendant entities and each of their subsidiaries, officers, directors, employees, agents, successors, and assigns; to any entity for or in which any person who is a shareholder in a defendant entity as of the date of entry of this Final Judgment, whether directly or indirectly, conducts or directs asset management or investment advisory activities that involve transactions in the cash market or in the financing market (hereinafter ''related entity''); and to all persons acting in concert with any defendant entity and having actual notice of this Final Judgment; provided, however, that this Final Judgment shall not apply to any fund or other entity whose assets are managed or invested in whole or in part by a defendant entity or by a related entity.

IV

Prohibited Conduct

A. The defendant entities are enjoined and restrained from agreeing with each other or with any other person to restrain trade in the cash or financing markets in violation of the antitrust laws of the United States.

B. The defendant entities are enjoined and restrained from agreeing with each other or with any other person:

1. to purchase or refrain from purchasing any issue from a particular person; or

2. to sell or refrain from selling any issue to or through a particular person.

C. The defendant entities are enjoined and restrained from agreeing with any other person:

1. to withhold, directly or indirectly, all or any part of such other person's position from the cash market; or

2. to withhold, directly or indirectly, all or any part of such other person's position from the financing market.

D. The defendant entities are enjoined and restrained from agreeing with any other person:

1. to withhold, directly or indirectly, all or part of a defendant entity's position from the cash market for the purpose of (a) maintaining the value of such other person's position or (b) causing the value of such other person's position to increase, for any period of time; or

2. to withhold, directly or indirectly, all or part of a defendant entity's position from the financing market for the purpose of (a) maintaining the value of such other person's position or (b) causing the value of such other person's position to increase, for any period of time.

E. Notwithstanding any provision of Section IV.B to the contrary, nothing in this Final Judgment shall prohibit a defendant entity:

1. from agreeing with its counterparty to enter into a transaction to purchase or sell an issue; or

2. from agreeing with another person that such other person tender a bid on behalf of such defendant entity at a Treasury action.

F. Notwithstanding any provision of either Section IV.B or Section IV.C to the contrary, nothing in this Final Judgment shall prohibit any defendant entity from agreeing with another person that such other person not increase or decrease its position in an issue while such other person is endeavoring to transact the purchase, sale or financing of a position in such issue with or on behalf of a defendant entity.

V

Compliance provisions

Each defendant entity is ordered to initiate and maintain an antitrust compliance program which shall include designating, within thirty (30) days of the entry of this Final Judgment, an Antitrust Compliance Officer, who shall monitor the activities of all persons responsible for trading or financing Treasury securities on behalf of the defendant entity and shall be responsible for establishing an antitrust compliance program designed to provide reasonable assurance of compliance with this Final Judgment and with the federal antitrust laws by the defendant entity. The Antitrust Compliance Officer shall also:

1. Distribute, within thirty (30) days from the entry of this Final Judgment, a copy of this Final Judgment to: (a) all members of the Board of Directors and Officers of the defendant entity; (b) all traders or other employees of the defendant entity whose duties include the trading or financing of Treasury securities; and (c) all agents of the defendant entity whose responsibilities include the trading or financing Treasury securities on behalf of such defendant entity (not including brokers or dealers who may occasionally act as agents of a defendant entity on a transaction-specific basis).

2. Distribute within thirty (30) days a copy of this Final Judgment to (a) any person who becomes a member of the Board of Directors or officers of the defendant entity and (b) to any employee of the defendant entity who is, in the future, given any duties which include the trading or financing of Treasury securities.

3. Brief annually those persons designated in Paragraphs 1 and 2 of this Section on the meaning and requirements of the federal antitrust laws and this Final Judgment and inform them that the Antitrust Compliance Officer or a designee of the Antitrust Compliance Officer is available to confer with them regarding compliance with such laws and with this Final Judgment.

4. Obtain from each person designated in Paragraphs 1 and 2 of this Section an annual written certification that he or she: (a) has read, understands, and agrees to abide by the terms of this Final Judgment; (b) has been advised and understands that noncompliance with this Final Judgment may result in his or her being found in civil or criminal contempt of court; and (c) is not aware of any violation of the federal antitrust laws or of this Final Judgment that he or she has not reported to the Antitrust Compliance Officer.

5. Maintain a record of persons to whom this Final Judgment has been distributed and from whom the certification required by Paragraph 4 of this Section has been obtained.

6. Certify to the Court and to the Assistant Attorney General in charge of the Antitrust Division, within forty-five (45) days after entry of this Final Judgment, that the defendant entity: (a) has designated an Antitrust Compliance Officer, specifying his or her name, business address, and telephone number; and (b) has distributed this Final Judgment, briefed the appropriate persons, and obtained certifications, as required by this Section V.

VI

Plaintiff access

A. For the purpose of determining or securing compliance with this Final Judgment, duly authorized representatives of the plaintiff shall, upon written request of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to the relevant defendant entity, subject to any lawful privilege, be permitted:

1. access during such defendant entity's regular office hours to inspect and copy all records and documents in its possession or custody, or subject to its control, relating to any matters contained in this Final Judgment; and

2. to depose or interview such defendant entity's officers, employees, trustees, or agents, who may have counsel present, regarding any matters contained in this Final Judgment; such depositions or interviews to be subject to the reasonable convenience of and without restraint or interference from the defendant entity.

B. Upon the written request of the Assistant Attorney General in charge of the Antitrust Division, each of the defendant entities shall submit such written reports, under oath if requested, relating to any of the matters contained in this Final Judgment as may be reasonably requested.

C. No information or documents obtained by the means provided in this Section shall be divulged by the plaintiff to any person other than a duly authorized representative of the executive branch of the United States, except in the course of legal proceedings to which the United States is a party, or for the purpose of security compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by a defendant entity to plaintiff, such defendant entity represents and identifies in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and said defendant marks each pertinent page of such materials, ''Confidential: Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure,'' then ten (10) days' notice shall be given by plaintiff to such defendant entity prior to divulging such material in any legal proceeding to which the defendant entity is not a party; provided, however, that nothing herein shall apply to any use of such information or documents in any grand jury proceeding.

VII

Further Elements of Decree

A. Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

B. This Final Judgment shall terminate ten (10) years from the date of entry.

C. The defendant property that is the property of Steinhardt Management Company, Inc. is hereby forfeited to the United States. Steinhardt Management Company, Inc. shall pay $12,500,000, plus the Additional Amount defined in the Civil Settlement Agreement between Steinhardt Management Company, Inc. and the United States Department of Justice dated December 16, 1994, within five (5) business days after receipt of notice of this Final Judgment. Such amount represents that portion of the settlement amount forfeited to the Department of Justice pursuant to 15 U.S.C. § 6, and which is payable to the Department of Justice Asset Forfeiture Fund.

D. The defendant property that is the property of Caxton Corporation is hereby forfeited to the United States. Caxton Corporation shall pay $12,500,000 plus the Additional Amount defined in the Civil Settlement Agreement between Caxton Corporation and the United States Department of Justice dated December 16, 1994, within five (5) business days after receipt of notice of this Final Judgment. Such amount represents that portion of the settlement amount forfeited to the Department of Justice pursuant to 15 U.S.C. § 6, and which is payable to the Department of Justice Asset Forfeiture Fund.

E. Entry of this Final Judgment is in the public interest.

United States District Court Southern District of New York, United States of America, Plaintiff, v. Steinhardt Management Company, Inc.; and Caxton Corporation, Defendants, and $12,500,000 That is the Property of Steinhardt Management Company, Inc.; Steinhardt Management, Company, Inc., Real Party in Interest and $12,500,000 That is the Property of Caxton Corporation, Caxton Corporation, Real Party in Interest. 94 Civ. 9044.

Competitive Impact Statement

Pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)–(h), the United States submits this Competitive Impact Statement relating to the proposed Final Judgment submitted for entry in this civil antitrust proceeding.

I

Nature and Purpose of the Proceeding

On December 16, the United States filed a civil antitrust complaint alleging that Steinhardt Management Company, Inc. (''SMC''), Caxton Corporation (''Caxton'') and others conspired to restrain competition in markets for specified United States Treasury securities, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. The complaint seeks injunctive relief and forfeiture of property owned by SMC and Caxton pursuant to the alleged conspiracy under Section 6 of the Sherman Act, 15 U.S.C. § 6.

The complaint alleges that, beginning in April 1991 and continuing into September 1991, the defendant entities and others (collectively, the ''conspirators'') violated Section 1 of the Sherman Act by agreeing to coordinate their actions in trading the two-year Treasury notes auctioned by the United States Treasury on April 24, 1991 (''April Notes''). During that period, the conspirators coordinated trading in the secondary markets for the April Notes, including both the cash market (where purchases and sales occur) and the financing market (where, in effect, persons with leveraged long positions, such as the defendant entities, borrow money in order to buy or to continue to hold an issue). The alleged conspiracy affected the price of the April Notes in both the cash market and the financing market.

The United States and the defendant entities have stipulated to the entry of a proposed Final Judgment, which will grant the relief sought in the complaint and terminate this action.

II

Description of the Practices Involved in the Alleged Violation

A. The Treasury Securities Markets

The Treasury finances the debt of the United States by issuing Treasury securities in the form of bonds, notes and bills. Treasury bonds, notes and bills are sold by the Treasury through periodic auctions conducted by the Federal Reserve System. At each such auction, the Treasury awards securities to the bidders willing to accept the lowest yield levels (effectively, interest rates) on their cash.

A week before an auction of a particular issue, the Treasury announces the size of the issue to be auctioned. ''When-issued'' trading for that issue

begins immediately thereafter. In a when-issued trade, no money changes hands; rather, sellers agree to deliver the securities on the date the Treasury settles with successful bidders, generally one week after the auction (''settlement''). At settlement, the Treasury transmits the new issue to the successful bidders in exchange for payment. On settlement day, when-issued buyers must pay for their purchases and when-issued sellers must deliver the securities they sold. Persons who sell short an issue in the when-issued market must deliver *that issue* to the purchaser at settlement; they cannot substitute another Treasury issue.[1]

After settlement, trading to buy and sell the issue continues in the secondary or ''cash'' market until the maturity date, when the issue is redeemed. In every when-issued or cash market trade, a seller who does not already own the issue is said to be ''short,'' and the buyer ''long.'' The ''short'' seller may obtain the securities it is required to deliver by purchasing them at the Treasury auction or in a when-issued or cash market trade. Alternatively, the short may borrow them in the ''financing market,'' generally through a repurchase or ''repo'' transaction, and delivering the borrowed securities to the buyer.

Traders of Treasury securities frequently use repurchase agreements not only to effectuate delivery when they have ''short'' positions, but also to finance their ''long'' purchases. A repurchase transaction is the functional equivalent of a loan using Treasury securities as collateral, in which the owner of an issue sells it and simultaneously agrees to repurchase it on a specified date for a specified price. The repurchase price is somewhat higher than the sale price; the difference between the two prices represents an interest rate, and is often called the ''repo'' rate.

Treasury securities can be financed either through ''special'' repo agreements, in which the collateral is a particular, identified issue, or through ''general'' repo agreements, in which no particular issue need be specified for delivery. When there is specific demand for an issue because short sellers need to borrow the issue in order to deliver it to persons who have bought it, owners can lend the issue in a special repo-market transaction at a ''special rate.''[2] The issue generally is said to be ''on special'' when the interest rate that owners (such as SMC and Caxton in the case of the April Notes) are required to pay to borrow cast against the issue is significantly lower than the ''general'' collateral rate.'' The general collateral rate is an overall rate for loans collateralized by Treasury securities, and usually fluctuates only in relation to short-term, money-market rates. Because the demand, as reflected by price, for a particular issue is unique in both the cash market and in the financing market (while the issue is on special), there are separate product markets for each Treasury security issue within the meaning of the antitrust laws.

If the supply of an issue is artificially constricted by agreement among the holders of the issue, both the price of the issue in the cash market and the cost of borrowing the issue in the financing market increase.[3] When the cost of purchasing an issue in the cash market or the cost of borrowing it in the financing market is significantly different than the cost of buying or borrowing securities of comparable maturities, a ''squeeze'' is said to occur.

B. The Conspiracy

SMC and Caxton both manage investment funds—sometimes known as ''hedge funds''—which generally make large, ''leveraged'' investments with borrowed capital. The hedge funds managed by the defendant entities compete with numerous other traders and investors in the when-issued, cash and financing markets to sell purchase and finance various Treasury security issues. Prior to their purchase of April Notes, the defendant entities had a history of interaction. Beginning in January 1990, Caxton became co-managing general partner of two of SMC's funds, and Caxton's chairman became the president of SMC. The formal affiliation of Caxton and its chairman with SMC ended after one year, but employees and agents of the defendant entities continued to communicate regularly with each other, including during the period encompassed by the conspiracy.

As charged in the complaint, beginning in or about April 1991, the defendant entities agreed on a scheme to acquire control of the supply of April Notes and to limit the supply of the issue in the cash and financing markets in order to cause a squeeze. This scheme ensured that persons who had sold notes short in the when-issued market or the post-settlement cash market could obtain such notes only by purchasing them at artificially high and non-competitive prices in the cash market or by borrowing them at artificially low and non-competitive special rates in the financing market. This course of conduct continued for a period of time during which the defendant entities, with the assistance of others, earned supracompetitive rates on transactions in the April Notes.

Through numerous purchases made through various dealers, in the when-issued market, the cash market and at auction, SMC and Caxton obtained substantial positions in the April Notes. Indeed, from May until mid-September 1991, the defendant entities controlled more than the ''floating supply'' of the issue, giving them the power to cause short sellers of the April Notes to fail to meet their security-specific delivery obligations.

As part of the alleged scheme, SMC and Caxton conferred on the subject of their activities or planned activities with respect to April Notes. They exchanged information about the size of their positions, the likely size of the short positions in the markets and ways to finance positions so as to keep their notes from becoming available to meet the demand for specials financing. The defendant entities gave tacit assurances to each other that they would continue to hold their substantial long positions in the April Notes, and would limit the supply of April Notes they would make available to the cash and financing markets from the positions they controlled.

The conspirators agreed to coordinate SMC's and Caxton's financing efforts so as to restrict the supply of April Notes available in the financing and cash markets. The conspirators began to implement their squeeze on May 23, 1991.[4] An essential part of the scheme

[1] Each Treasury security of a particular issue is unique and bears an identification number (known as a ''CUSIP number'') which distinguishes it from all other securities. Thus, all April Notes (all of which were issued on the same date) bore the same CUSIP number.

[2] A Treasury security may trade ''on special'' in the collateral markets for various reasons. Special rates could be the result of ordinary market supply and demand, but could also be induced by persons acting together to distort normal market forces. Potentially, if the holders of an issue withhold enough of it from the ''specials'' market, unmet demand may cause come percentage of the issue to be financed at interest rates approaching zero.

[3] Due to the manner in which the financing market works, the increased cost of borrowing the security occurs when short sellers earn *lower* interest rates on money they lend to holders in order to borrow the security overnight or for a short term. The cost of borrowing the securities increases when short sellers—who must borrow the security to avoid a default (failure to deliver or ''fail'') on their contractual obligations—receive say, only 4.25% on the money they land when, if the issue were not ''on special,'' they would have been able to borrow the securities in the repo market and earn a higher interest rate, say, 5.75%.

[4] The conspirators waited until May 23 to implement the squeeze because the subsequent issue of two-year notes was auctioned on the previous day. By waiting until the Treasury auctioned a succeeding issue, the conspirators minimized the risk that the Treasury would reopen

involved the defendant entities entering into financing agreements with two primary dealers to ensure that the supply of April Notes available to shorts in the secondary markets would be reduced.

SMC concentrated the financing of its position with one dealer, and actively directed that dealer to withhold some or all of SMC's notes from the financing and cash markets. For example, SMC directed the dealer to refuse to make its notes available for special repo transactions unless the repo rate had dropped below a certain level. At other times, SMC ordered the dealer to refuse to make the notes available at all for special financing transactions for periods of time ranging from hours to days, with the intent and effect of causing unmet demand that forced rates lower. For its part, Caxton financed a portion of its April Notes in a series of transactions with another dealer in a manner that largely caused a quantity of the notes to be withheld from the cash market. Beginning in early August, 1991, SMC moved the majority of its position to the dealer already financing the majority of the Caxton position. This resulted in a renewed concentration of the issue that enabled the dealer to drive down repo rates.

The coordinated withholding of supply allowed SMC and Caxton to enrich themselves at the expense of other market participants both as a result of low rates at which they were able to finance their securities and as a result of cash sales at prices that were inflated by the squeeze.

The conspiracy described above injured numerous persons who traded the April Notes, especially those with short positions, by artificially inflating prices for that issue in the cash market and repo rates in the financing market. Further, the conspiracy had a dangerous probability of damaging the Treasury of the United States. As noted in the *Joint Report on the Government Securities Market* issued by the Treasury, the SEC and the Federal Reserve Board, an acute, protracted squeeze resulting from illegal coordinated conduct, such as the one alleged here, ''can cause lasting damage to the marketplace, especially if market participants attribute the shortage to market manipulation. Dealers may be more reluctant to establish short positions in the future, which could reduce liquidity and make it marginally more difficult for the Treasury to distribute its securities without disruption.''[5]

III

Explanation of the Proposed Final Judgment

The United States and the defendant entities have stipulated that the Court may enter the proposed Final Judgment after compliance with the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)-(h). The proposed Final Judgment provides that its entry does not constitute any evidence or admission by any party with respect to any issue of fact or law. Under the provisions of Section 2(e) of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(e), the proposed Final Judgment may not be entered unless the Court finds that entry is in the public interest. Paragraph VIII.E. of the proposed Final Judgment sets forth such a finding.

The United States submits that the proposed Final Judgment is in the public interest. The proposed Final Judgment contains injunctive provisions that are remedial in nature and designed to assure that the defendant entities will not engage in the future in the same or similar anticompetitive practices as those employed in furtherance of their conspiracy.

In addition, the proposed Final Judgment provides for a substantial asset forfeiture that will act as a deterrent to future illegal conduct and serve as a warning to others of the possible consequences of similar illegal behavior. Pursuant to the proposed Final Judgment and the Settlement Agreements attached hereto, SMC and Caxton will each pay $12.5 million (plus interest accruing at a rate of 5.75% to the date of payment) to the United States within five business days of the entry of the Final Judgment. This payment reflects a cash settlement in lieu of forfeiture of the securities held pursuant to the alleged conspiracy.

A. Global Settlement of Charges

On the same date that this action was filed, the Department of Justice (''Department'') and the Securities and Exchange Commission (''SEC'') announced a global settlement with SMC and Caxton that resolves the defendant entities' liability under the antitrust and securities laws with respect to the conduct alleged in the complaints filed by the Department and the SEC. The terms of the settlement provide that SMC pay a total of $40 million—$19 million in fines and forfeitures and establish a $21 million disgorgement fund to be used to compensate victims of its misconduct. The settlement also provides that Caxton will pay a total of $36 million—$22 million in fines and forfeitures and establish a $14 million disgorgement fund.

B. Specific Injunctive Provisions

The proposed Final Judgment prohibits the defendant entities from agreeing with each other or with other persons to take certain actions affecting the markets for Treasury securities. The prohibited agreements are either impermissible under the antitrust laws, or were determined during the Department's three-year investigation of the Treasury securities markets to be significant mechanisms for facilitating collusion. The proposed Final Judgment, however, is not intended to discourage or prohibit normal communications between the defendant entities and other participants in the markets for Treasury securities. Traders in these markets often, and appropriately, exchange views about events that may affect interest rates, and consequently, the value of Treasury securities. Such an exchange of views, without more, is not ordinarily harmful to competition.

1. Section III, Applicability

The proposed Final Judgment applies to the defendant entities and each of their subsidiaries, officers, directors, employees, agents, successors and assigns. It also applies to any entity for or in which any person who is a shareholder in a defendant entity as of the date of entry of the Final Judgment engages in or directs asset management or investment advisory activities, whether directly or indirectly, that involve transactions in the cash or financing markets (''related entity''); and to all persons acting in concert with any defendant entity that have actual notice of the Final Judgment. But the proposed Final Judgment does not apply to any fund or other entity whose assets are managed or invested in whole or in part by a defendant entity or by a related entity.

This applicability provision ensures that the Final Judgment will apply not only to the defendant entities, but also to any related entity or any person

---

the April-Note issue, which would have reduced or eliminated their ability to control the supply of the issue. If the issue had been reopened, the Treasury would have auctioned more notes with the April Notes' CUSIP number, rather than auctioning notes with a new CUSIP. Reopening would have effectively flooded the secondary markets with increased supply of the issue, and would have eroded the market power the conspirators had obtained through their purchases of the April Notes.

[5] *See* Department of the Treasury, Securities and Exchange Commission, Board of Governors of the Federal Reserve System; *Joint Report on the Government Securities Market* at 10 (Jan. 1992).

acting as an agent of a defendant entity.[6] It also applies to any existing or newly formed entity in which a shareholder of one of the defendant entities has decisionmaking or trading authority involving Treasury securities. This provision ensures that the defendant entities will be unable to evade the terms of the Final Judgment by conducting Treasury security trading through some other entity. The Final Judgment, however, does not generally bind other participants in the Treasury security markets who merely engage in ordinary principal-to-principal counterparty trades with the defendant entities.

2. Section IV, Prohibited Conduct

a. *Subsection A* generally prohibits defendant entities from entering into agreements to restrain trade, within the meaning of the antitrust laws, in the purchase, sale or financing of any issue in the cash or financing markets. This subsection is to be construed by reference to the defined terms used therein (*e.g.*, ''agreeing''), and by the general purpose of the antitrust laws as set forth in Section 1 of the Sherman Act, 15 U.S.C. § 1, and the Federal case law construing and interpreting the Sherman Act.

b. *Subsection B* prohibits defendant entities from entering into agreements to purchase or sell an issue, or to refrain from purchasing or selling an issue, through any particular person, subject to limited exceptions, discussed below, contained in Subsections E and F. Subsection B prohibits, for example, a defendant entity from agreeing with another holder of an issue to coordinate its purchases or sales of the issue by acquiring the issue only through particular primary dealers, or by agreeing to spread out their coordinated purchases among different dealers to conceal the size of their purchases and holdings. The defendant entities acquired their positions in April Notes largely from separate dealers, indicating possible coordination of their acquisition strategies.

c. *Subsection C* prohibits defendant entities from agreeing with another holder of an issue to withhold such other holder's position from the cash or financing markets for any period of time. This subsection, for example, prohibits a defendant entity from agreeing that another holder of an issue will withhold *the other holder's* position from the cash or financing markets. The Department has alleged that a central component of the conspiracy charged in this case were agreements between SMC and Caxton to withhold their positions from the cash and financing markets in order to effectuate the squeeze of the April Notes. The Department has identified only one circumstance—prevention of ''front-running''—in which one holder of an issue agrees with another, competing holder, to withhold the other holder's position in the same issue from the markets could possibly have a procompetitive purpose. With the exception of preventing front-running, which is the subject of a limited exception, discussed below, contained in subsection F, this subsection contains an outright prohibition on a defendant entity agreeing that another holder will restrict supply of an issue by withholding the other holder's position from the cash or financing markets.

d. *Subsection D* similarly prohibits the defendant entities from agreeing with another holder of an issue to withhold the *defendant entity's* position in the issue for the purpose of maintaining or increasing the value of the other holder's position in the cash or financing markets for any period of time. The limited purpose contained within this subsection makes clear that a defendant entity may continue to decide when and whether to trade or finance its own position.[7] If, however, the purpose of a defendant entity's withholding of a position is to attempt to maintain or increase the value of the other holder's position in the markets, that is prohibited. The Department has identified no legitimate pro-competitive reason to agree to restrict supply by withholding one's own position in an issue for the purpose of benefitting another, ordinarily competing, holder of the same issue.

e. *Subsection E* makes clear subsection B is not intended to prohibit customary practices in trading positions in Treasury securities. Specifically, this subsection makes clear that nothing in the proposed Final Judgment is intended to prohibit normal principal-to-principal counterparty agreements to purchase or sell a position in an issue.

f. *Subsection F* is an exception to subsections B and C that permits a defendant entity to request (and obtain an agreement) that another holder, such as a primary dealer, will not trade its position while also endeavoring to transact a trade with or on behalf of a defendant entity. This exception is intended to permit a defendant entity to obtain commitments from primary dealers or other counterparties that they will not engage in ''front running''[8] or other self-dealing actions to the detriment of the defendant entity while the counterparty is effectuating the purchase, sale or financing of a position on behalf of the defendant entity. This provision is necessary because, in the ordinary course, non-dealer traders such as the defendant entities must transact trades through persons such as primary dealers, who may also be competing holders of the same issue. Merely requesting that the counterparty to a transaction not engage in self-dealing while also acting on behalf of a defendant entity should not, by itself, be harmful to competition.

3. Section V, Compliance Provisions

Section V of the proposed Final Judgment requires the defendant entities to institute antitrust compliance programs. Each defendant entity must appoint an antitrust compliance officer, who will be responsible for monitoring the activities of all persons with responsibility for trading or financing Treasury securities. The antitrust compliance officer will also establish an antitrust compliance program, including specific obligations described in this section, designed to provide reasonable assurance that the defendant entity will comply with the Final Judgment and the antitrust laws. The antitrust compliance officer will certify to the Court and the Assistant Attorney General in charge of the Antitrust Division within forty-five days after entry of the Final Judgment that the defendant entity has taken specified steps require by this section.

[6] The complaint filed by the Department alleges that various persons, not identified in the complaint, were co-conspirators along with the defendant entities. These ''others,'' defined as being within the collective category of ''conspirators'' in section I of this Competitive Impact Statement, above, include certain persons who acted directly as agents of one or the other of the defendant entities in the trading and financing of the April Notes.

[7] Because of the current structure of trading and financing of Treasury securities, investment funds such as the defendant entities must ordinarily enter into agreements with counterparties to trade or finance their positions, including perhaps agreements restricting the timing or form of sales or financing. Thus, if the defendant entities are to retain control over the manner in which they trade or finance their positions, they must remain free to enter into agreements with others that literally might involve ''withholding'' their positions for some period of time.

[8] ''Front running'' occurs when a person, such as a dealer or broker who has advance knowledge of another trader's intended actions in the market, uses that advance knowledge to trade on his own behalf ahead of the other trader. Thus, for example, if a dealer were to learn that a defendant entity intended to make substantial purchases of an issue through the dealer, so that the price of the issue in the cash market would likely rise, the dealer could use this advance knowledge to purchase the issue before the price begins to rise, and then to sell the issue at the inflated price. Defendant entities are not prohibited from obtaining commitments that a dealer will not trade against them in this fashion before committing to trade through the dealer.

IV

Remedies Available to Potential Private Litigants

Section 4 of the Clayton Act, 15 U.S.C. 15, provides that any person who has been injured as a result of conduct prohibited by the antitrust laws may bring suit in federal court to recover three times the damages suffered, as well as costs and reasonable attorney's fees. Pursuant to separate agreements reached by SMC and Caxton with the SEC and the Department, the defendant entities will pay $35 million into a fund to be available for damages claims from private parties that have been injured by their conduct, including damages incurred as a consequence of violations of the antitrust laws.[9] Entry of the proposed Final Judgment itself will neither impair not assist the bringing of such actions. Under the provisions of Section 5(a) of the Clayton Act, 15 U.S.C. 16(a), the Final Judgment has no *prima facie* effect in any subsequent lawsuits that may be brought against SMC or Caxton in this matter.

V

Procedures Available for Modification of the Proposed Final Judgment

As provided by the Antitrust Procedures and Penalties Act, any person believing that the proposed Final Judgment should be modified may submit written comments to John F. Greaney, Chief, Computers and Finance Section, U.S. Department of Justice, Antitrust Division, 555 Fourth Street, NW., Room 9901, Washington, DC 20001, within the 60-day period provided by the Act. These comments, and the Department's responses, will be filed with the Court and published in the **Federal Register**. All comments will be given due consideration by the Department of Justice, which remains free to withdraw its consent to the proposed Judgment at any time prior to entry. The proposed Final Judgment provides that the Court retains jurisdiction over this action, and the parties may apply to the Court for any order necessary or appropriate for the modification interpretation or enforcement of the Final Judgment.

[9] The specific permitted grounds for successful claims against the disgorgement fund and the mechanics of fund operation under the auspices of the SEC are set forth in the *Final Judgment of Permanent Injunction and Other Relief* as to each defendant entity, filed contemporaneously with the SEC's complaint against SMC and Caxton.

VI

Alternatives to the Proposed Final Judgment

The proposed Final Judgment provides all the relief that the United States sought in its complaint. The Department believes that litigation on the allegations in the compliant would involve substantial cost to the United States and is not warranted given the relief to be obtained in the proposed Final Judgment. In specifying the relief set forth in the proposed Final Judgment, the Department consulted with and considered the views of experts in the Treasury securities field, including the United States Department of the Treasury and the SEC. The specific injunctive provisions are tailored to ensure that the defendant entities will not engage in the same illegal conduct, and in the event of violations, are enforceable through civil and criminal contempt. Further, the payment by defendant entities under Section 6 represents the second-largest forfeiture or other penalty ever paid to the government by defendants in a single antitrust case, and will provide a substantial deterrent to future anticompetitive conduct in the Treasury securities markets.

Another alternative to the proposed Final Judgment would be to prosecute this conspiracy as a criminal violation of Section 1 of the Sherman Act, 15 U.S.C. 1, rather than through a civil complaint. The Department carefully considered this alternative. The Department determined, in the exercise of its prosecutorial discretion, that charging this matter as a civil violation was most appropriate. The releases from criminal prosecution set forth in the Settlement Agreements attached hereto merely confirm the Department's decision that the case is more appropriately brought as a civil matter.

VII

Determinative Materials and Documents

No materials or documents of the type described in Section 2(b) of the Antitrust Procedures and Penalties Act, 15 U.S.C. 16(b), were considered in formulating the proposed Final Judgment.

Dated: December 16, 1994.

Anne K. Bingaman,

Assistant Attorney General, Antitrust Division.

Respectfully submitted,

Hays Gorey, Jr., HG1946,

Kenneth W. Gaul, KG2858

Attorneys, U.S. Department of Justice, Antitrust Division, Room 8104, 555 4th Street, NW., Washington, DC 20001, (202) 514–9602.

Certificate of Service

I, Kenneth W. Gaul, an attorney in the Department of Justice, Antitrust Division, certify that on this date I have caused to be served by hand the attached COMPETITIVE IMPACT STATEMENT upon the following counsel for defendant entities in the matter of *United States* v. *Steinhardt Management Company, Inc. and Caxton Corporation, et al.* (94 Civ. _____).

Frederick P. Schaffer,

Shulte, Roth & Zabel, 900 Third Avenue, New York, NY 10022 (Counsel for Steinhardt Management Company, Inc.)

Richard J. Wiener,

Caldwalader, Wickersham & Taft, 100 Maiden Lane, New York, NY 10038 (Counsel for Caxton Corporation).

Kenneth W. Gaul.

December 16, 1994.

United States District Court, Southern District of New York, United States of America, Plaintiff, v. Steinhardt Management Company, Inc.; and Caxton Corporation, Defendants, and $12,500,000 That is the Property of Steinhardt Management Company, Inc.; Steinhardt Management Company, Inc., Real Party in Interest and $12,500,000 That is the Property of Caxton Corporation, Caxton Corporation, Real Party in Interest. 94 Civ. 9044.

Settlement Agreement

This Settlement Agreement (''Agreement'') is made between the United States of America (''Plaintiff'') and Steinhardt Management Company, Inc., (''SMC'').

1. This Agreement is made to resolve and forever to settle SMC's liability under the antitrust laws for certain conduct to be alleged in a Complaint to be filed by the United States pursuant to this Agreement. Upon the fulfillment of the conditions set forth in this Agreement, the releases described herein shall be effective.

2. On the date of execution of this Agreement,

(a) Plaintiff shall file a civil Complaint alleging a violation of Section 1 of the Sherman Act, 15 U.S.C. § 1, by SMC and others in connection with the acquisition and trading of certain United States Treasury notes;

(b) Plaintiff shall file a Final Judgment in the form attached as Exhibit A, that, if entered by the Court, would resolve

and settle the allegations of the Complaint filed pursuant to subparagraph (a), above;

(c) Plaintiff and SMC shall execute and file a Stipulation and Order in the form attached as Exhibit B, stipulating to the entry of a Final Judgment in the form attached as Exhibit A.

3. In consideration of the sum of money to be forfeited by SMC pursuant to the Final Judgment and other of the agreements set forth therein, upon entry of the Final Judgment in the form attached as Exhibit A, or in such other form as the Court may order requiring payment of the civil forfeiture specified in paragraph 6(a), Plaintiff releases SMC and its present and former officers, employees, directors and subsidiaries, and any funds or accounts managed by SMC, from any civil liability or claims whatsoever or any criminal liability for any federal offense (a) which was committed prior to the date of this Agreement and arose out of the purchase, sale, financing or trading of the two-year United States Treasury notes issued in April 1991 or the two-year United States Treasury notes issued in May 1991 (together, ''Specified Notes'') or (b) which arose out of any conduct known to the Department of Justice or the Securities and Exchange Commission (''SEC'') related to any investigation by the Department of Justice or the SEC into the purchase, sale, financing or trading of the Specified Notes, or into any efforts to interfere with, obstruct, mislead or subvert any such investigation; provided, however, that nothing in this Agreement shall apply to violations of the federal tax laws, Title 26, United States Code.

4. Plaintiff and SMC recognize that the Court may enter a Final Judgment only after the parties have complied with the provisions of the Tunney Act, 15 U.S.C. § 16 (b) through (g). The parties shall use their best efforts to comply with the procedures of the Tunney Act to ensure that a Final Judgment in the form attached as Exhibit A is entered by the Court at the earliest practicable date. If the Court should require modification to the Final Judgment before entering it, SMC shall not unreasonably withhold its agreement to such modification.

5. The parties recognize that this Agreement is being made in conjunction with the *Consent and Undertakings of Defendants Steinhardt Management Company, Inc.* that SMC has entered into with the SEC (the ''SEC Consent'') in the form attached as Exhibit C, and that, upon execution of the SEC Consent, the SEC will file against SMC a civil complaint alleging violations of the securities laws, under the caption *Securities and Exchange Commission v. Steinhardt Management Company, Inc. and Caxton Corporation* (the ''Securities Case'').

6. Pursuant to this Agreement, the SEC Consent, and the *Final Judgment of Permanent Injunction and Other Relief as to Defendants Steinhardt Management Company, Inc.* in the Securities Case (the ''Securities Case Final Judgment'') in the form attached as Exhibit D, SMC shall, at the times specified in paragraph 12 and as provided in the Securities Case final judgment, pay the sum of $40 million as follows:

(a) $19 million shall be paid to the United States of America. Of this amount, $12.5 million shall constitute a civil forfeiture pursuant to the Sherman Antitrust Act, 15 U.S.C. § 6, and shall be paid to the Department of Justice Asset Forfeiture Fund; the remaining $6.5 million shall constitute a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and shall be paid to the Treasurer of the United States;

(b) $21 million shall be paid into a disgorgement fund established by court order in the Securities Case, upon terms established by the Securities Case Final Judgment, as entered by the Court. This disgorgement fund shall be administered and used as set forth in the Securities Case Final Judgment.

Under no circumstances shall SMC be entitled to a refund of any monies paid pursuant to this Agreement; provided that the foregoing shall not preclude reimbursement of SMC from the disgorgement fund in accordance with the procedures governing such fund, in respect of certain third-party claims paid directly by SMC.

7. Should the Court for any reason not order all or any part of the amount specified in paragraph 6(a) to be forfeited to the United States, the difference between the amount ordered forfeited by the Court in the captioned case and the amount specified to be forfeited to the United States by paragraph 6(a), shall be paid to the Treasurer of the United States pursuant to the Final Judgment in the Securities Case under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3) (''Additional Civil Penalty''). Upon the payment of the Additional Civil Penalty, the releases described in paragraph 3 shall be effective.

8. SMC understands that the United States has not waived the right of any federal agency, with respect to SMC or any other person: (a) to revoke or suspend any license, certificate, registration of or other form of permission issued by such agency; (b) to impose any penalty or to take any form of punitive or disciplinary action; or (c) to debar, suspend, disqualify, or otherwise restrict or prohibit certain transactions or other dealings with the United States or with any of its agencies or departments.

9. SMC hereby waives any right it might have as a result of this Agreement or any settlement arrangements contemplated hereby under the United States Supreme Court's decision in *United States* v. *Halper,* 490 U.S. 435 (1989), or in respect of the subject matter of that case or under any other existing or future decision relating to that subject matter.

10. SMC neither admits nor denies any of the factual allegations pertaining to the matters described in the Complaint to be filed pursuant to paragraph 2, nor does SMC either admit or deny any legal liability arising therefrom. Nothing in this Agreement or in the Final Judgment or any Order contemplated hereby shall constitute a finding of fact or conclusion of law or otherwise provide any basis for establishing such liability.

11. SMC shall pay the civil penalty imposed by the Court in the Securities Case and contribute the funds to establish the disgorgement fund as specified in the Securities Case Final Judgment (collectively, the ''Initial Payment''). Pursuant to this Agreement and the Tunney Act, 15 U.S.C. §§ 16(b) through (g), the forfeiture provided for in the Final Judgment shall not be paid until five (5) business days after SMC receives notice of entry of the Final Judgment, or such other order as represents a final disposition of the captioned case. At that time, in addition to the $12.5 million payment specified in the Final Judgment (''Deferred Payment''), SMC shall forfeit an ''Additional Amount,'' as defined below. The term ''Additional Amount'' shall mean an amount representing interest on the Deferred Payment, computed on the basis of a 365 day year, at a rate per annum of 5¾%, from and including the date of the Initial Payment, but excluding the date on which the Deferred Payment is made. To the extent the Court does not impose any portion of the Deferred Payment or the Additional Amount, such amounts shall nonetheless be paid to the United States pursuant to paragraph 7 at the time specified herein.

12. This Agreement, and all the terms and provisions hereof, shall be binding on the parties hereto and their

respective successors and assigns, and shall inure only to the benefit of the parties hereto, and other person specifically released pursuant to paragraph 3, and their respective successors and assigns, and no other person shall be entitled to any benefits hereunder.

13. No additional understandings, promises, agreements and/or conditions have been entered into by the parties hereto with respect to the matters set forth in this Agreement other than those set forth herein and none will be entered into unless in writing and signed by all parties.

14. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one agreement.

15. This Agreement shall be deemed to have been fully executed and delivered when both the United States, on the one hand, and SMC, on the other, have received counterparts hereof executed on behalf of the other party by each of the signatories for such other party set forth on the signature pages hereof.

Agreed to:

December 14, 1994.

United States of America

John F. Greaney,

Chief, Computers and Finance Section, Antitrust Division, Department of Justice.

December 15, 1994

Steinhardt Management Company, Inc.

Michael Steinhardt,

Chairman, Steinhardt Management Company, Inc.

United States District Court, Southern District of New York, United States of America, Plaintiff, v. Steinhardt Management Company, Inc.; and Caxton Corporation, Defendants, and $12,500,000 That is the Property of Steinhardt Management Company, Inc.; Steinhardt Management Company, Inc., Real Party in Interest and $12,500,000 That is the Property of Caxton Corporation, Caxton Corporation, Real Party in Interest. 94 Civ. 9044.

Settlement Agreement

This Settlement Agreement (''Agreement'') is made between the UNITED STATES OF AMERICA (''Plaintiff'') and CAXTON CORPORATION (''Caxton'').

1. This Agreement is made to resolve and forever to settle Caxton's liability under the antitrust laws for certain conduct to be alleged in a Complaint to be filed by the United States pursuant to this Agreement. Upon the fulfillment of the conditions set forth in this Agreement, the releases described herein shall be effective.

2. On the date of execution of this Agreement,

(a) Plaintiff shall file a civil Complaint alleging a violation of Section 1 of the Sherman Act, 15 U.S.C. § 1, by Caxton and others in connection with the acquisition and trading of certain United States Treasury notes;

(b) Plaintiff shall file a Final Judgment in the form attached as Exhibit A, that, if entered by the Court, would resolve and settle the allegations of the Complaint filed pursuant to subparagraph (a), above;

(c) Plaintiff and Caxton shall execute and file a Stipulation and Order in the form attached as Exhibit B, stipulating to the entry of a Final Judgment in the form attached as Exhibit A.

3. In consideration of the sum of money to be forfeited by Caxton pursuant to the Final Judgment and other of the agreements set forth herein, upon entry of the Final Judgment in the form attached as Exhibit A, or in such other form as the Court may order requiring payment of the civil forfeiture specified in paragraph 6(a), Plaintiff releases Caxton, Luttrell Capital Management, Inc. (''LCM''), and their present and former officers, employees, directors and subsidiaries, and any funds or accounts managed by Caxton or LCM, from any civil liability or claims whatsoever or any criminal liability for any federal offense which was committed prior to the date of this Agreement and (a) which arose out of the purchase, sale, financing or trading of the two-year United States Treasury notes issued in April 1991 or the two-year United States Treasury notes issued in May 1991 (together, ''Specified Notes'') or (b) which arose out of any conduct known to the Department of Justice or the Securities and Exchange Commission (''SEC'') related to any investigation by the Department of Justice or the SEC into the purchase, sale, financing or trading of the Specified Notes, or into any efforts to interfere with, obstruct, mislead or subvert any such investigation; provided, however that nothing in this Agreement shall apply to violations of the federal tax laws, Title 26, United States Code.

4. Plaintiff and Caxton recognize that the Court may enter a Final Judgment only after the parties have complied with the provisions of the Tunney Act, 15 U.S.C. §§ 16 (b) through (g). The parties shall use their best efforts to comply with the procedures of the Tunney Act to ensure that a Final Judgment in the form attached as Exhibit A is entered by the Court at the earliest practicable date. If the Court should require modification to the Final Judgment before entering it, Caxton shall not unreasonably withhold its agreement to such modification.

5. The parties recognize that this Agreement is being made in conjunction with the *Consent and Undertakings of Defendant Caxton Corporation* that Caxton has entered into with the SEC (the ''SEC Consent'') in the form attached as Exhibit C, and that, following execution of the SEC Consent, the SEC will file against Caxton a civil complaint alleging violations of the securities laws, under the caption *Securities and Exchange Commission v. Steinhardt Management Company, Inc. and Caxton Corporation* (the ''Securities Case'').

6. Pursuant to this Agreement, the SEC Consent, and the *Final Judgment of Permanent Injunction and Other Relief as to Defendant Caxton Corporation* in the Securities Case (the ''Securities Case Final Judgment'') in the form attached as Exhibit D, Caxton shall, at the times specified in paragraph 12 and as provided in the Securities Case Final Judgment, pay the sum of $36 million as follows:

(a) $22 million shall be paid to the United States of America. Of this amount, $12.5 million shall constitute a civil forfeiture pursuant to the Sherman Antitrust Act, 15 U.S.C. § 6, and shall be paid to the Department of Justice Asset Forfeiture Fund; the remaining $9.5 million shall constitute a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and shall be paid to the Treasurer of the United States;

(b) $14 million shall be paid into a disgorgement fund established by Court order in the Securities Case, upon terms established by the Securities Case Final Judgment, as entered by the Court. This disgorgement fund shall be administered and used as set forth in the Securities Case Final Judgment.

Under no circumstances shall Caxton be entitled to a refund of any monies paid pursuant to this Agreement; provided that the foregoing shall not preclude reimbursement of Caxton from the disgorgement fund in accordance with the procedures governing such fund, in respect of certain third-party claims paid directly by Caxton.

7. Should the Court for any reason not order all or any part of the amount specified in paragraph 6(a) to be forfeited to the United States, the difference between the amount ordered forfeited by the Court in the captioned case and the amount specified to be forfeited to the United States by paragraph 6(a), shall be paid to the Treasurer of the United States pursuant

to the Final Judgment in the Securities Case under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3) (''Additional Civil Penalty''). Upon the payment of the Additional Civil Penalty, the releases described in paragraph 3 shall be effective.

8. Caxton understands that the United States has not waived the right of any federal agency, with respect to Caxton or any other person: (a) to revoke or suspend any license, certificate, registration or other form of permission issued by such agency; (b) to impose any penalty or to take any form of punitive or disciplinary action; or (c) to debar, suspend, disqualify, or otherwise restrict or prohibit certain transactions or other dealings with the United States or with any of its agencies or departments.

9. Caxton hereby waives any right it might have as a result of this Agreement or any settlement arrangements contemplated hereby under the United States Supreme Court's decision in *United States* v. *Halper,* 490 U.S. 435 (1989), or in respect of the subject matter of that case or under any other existing or future decision relating to that subject matter.

10. Caxton neither admits nor denies any of the factual allegations pertaining to the matters described in the Complaint to be filed pursuant to paragraph 2, nor does Caxton either admit or deny any legal liability arising therefrom. Nothing in this Agreement or in the Final Judgment or any Order contemplated hereby shall constitute a finding of fact or conclusion of law or otherwise provide any basis for establishing such liability.

11. Caxton shall pay the civil penalty imposed by the Court in the Securities Case and contribute the funds to establish the disgorgement fund as specified in the Securities Case Final Judgment (collectively, the ''Initial Payment''). Pursuant to this Agreement and the Tunney Act, 15 U.S.C. §§ 16 (b) through (g), the forfeiture provided for in the Final Judgment shall not be paid until five (5) business days after Caxton receives notice of entry of the Final Judgment, or such other order as represents a final disposition of the captioned case. At that time, in addition to the $12.5 million payment specified in the Final Judgment (''Deferred Payment''), Caxton shall forfeit an ''Additional Amount,'' as defined below. The term ''Additional Amount'' shall mean an amount representing interest on the Deferred Payment, computed on the basis of a 365 day year, at a rate per annum of 5¾%, from and including the date of the Initial Payment, but excluding the date on which the Deferred Payment is made. To the extent the Court does not impose any portion of the Deferred Payment or the Additional Amount, such amounts shall nonetheless be paid to the United States pursuant to paragraph 7 at the time specified herein.

12. This Agreement, and all the terms and provisions hereof, shall be binding on the parties hereto and their respective successors and assigns, and shall inure only to the benefit of the parties hereto, and other persons specifically released pursuant to paragraph 3, and their respective successors and assigns, and no other person shall be entitled to any benefits hereunder.

13. No additional understandings, promises, agreements and/or conditions have been entered into by the parties hereto with respect to the matters set forth in this Agreement other than those set forth herein and none will be entered into unless in writing and signed by all parties.

14. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one agreement.

15. This Agreement shall be deemed to have been fully executed and delivered when both the United States, on the one hand, and Caxton, on the other, have received counterparts hereof executed on behalf of the other party by each of the signatories for such other party set forth on the signature pages hereof.

Agreed to:

December 14, 1994.

United States of America

John F. Greaney,

Chief, Computers and Finance Section, Antitrust Division, Department of Justice.

Caxton Corporation

December 15, 1994.

Peter P. D'Angelo,

President, Caxton Corporation.

[FR Doc. 95–781 Filed 1–12–95; 8:45 am]

BILLING CODE 4410–01–M

DEPARTMENT OF LABOR

Office of the Secretary

Glass Ceiling Commission; Postponement of Commission Meetings

SUMMARY: Due to the scheduling difficulties of participants, the Glass Ceiling Commission meetings have been postponed. The meetings had been announced previously in the **Federal Register** of January 9, 1995, 60 FR 2403. The Commission meetings were to take place on Monday, January 23, 1995, 4:00 pm–7:00 pm and Tuesday, January 24, 1995, 9:00 am to 12 noon at the Department of Labor. The Commission meeting will be rescheduled at a later date.

FOR FURTHER INFORMATION CONTACT: Ms. René A. Redwood, Executive Director, Glass Ceiling Commission, U.S. Department of Labor, 200 Constitution Avenue NW., Room C–2313, Washington, DC 20210, (202) 219–7342.

Signed at Washington, DC this 9th day of January, 1995.

René A. Redwood,

Executive Director.

[FR Doc. 95–910 Filed 1–12–95; 8:45 am]

BILLING CODE 4510–23–M

Employment Standards Administration Wage and Hour Division

Minimum Wages for Federal and Federally Assisted Construction; General Wage Determination Decisions

General wage determination decisions of the Secretary of Labor are issued in accordance with applicable law and are based on the information obtained by the Department of Labor from its study of local wage conditions and data made available from other sources. They specify the basic hourly wage rates and fringe benefits which are determined to be prevailing for the described classes of laborers and mechanics employed on construction projects of a similar character and in the localities specified therein.

The determinations in these decisions of prevailing rates and fringe benefits have been made in accordance with 29 CFR part 1, by authority of the Secretary of Labor pursuant to the provisions of the Davis-Bacon Act of March 3, 1931, as amended (46 Stat. 1494, as amended, 40 U.S.C. 276a) and of other Federal statutes referred to in 29 CFR part 1, Appendix, as well as such additional statutes as may from time to time be enacted containing provisions for the payment of wages determined to be prevailing by the Secretary of Labor in accordance with the Davis-Bacon Act. The prevailing rates and fringe benefits determined in these decisions shall, in accordance with the provisions of the foregoing statutes, constitute the minimum wages payable on Federal and federally assisted construction projects to laborers and mechanics of the specified classes engaged on contract work of the character and in the localities described therein.