

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

**COMMISSIONERS:**                      **Robert Pitofsky, Chairman**  
   **Sheila F. Anthony**  
   **Mozelle W. Thompson**  
   **Orson Swindle**

_____ )	
In the Matter of )	
)	
<b>Precision Castparts Corp.,</b> )	
a corporation; )	
)	
and )	Docket No. C-3904
)	<b>ORDER TO HOLD SEPARATE</b>
<b>Wyman-Gordon Company,</b> )	
a corporation. )	
_____ )	

The Federal Trade Commission (“Commission”) having initiated an investigation of the proposed acquisition by Respondent Precision Castparts Corp. (“PCC”) of all of the outstanding shares of Respondent Wyman-Gordon Company (“Wyman-Gordon”), and Respondents having been furnished thereafter with a copy of a draft of Complaint which the Bureau of Competition presented to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders (“Consent Agreement”), containing an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having determined to accept the executed Consent Agreement and to place such Consent Agreement on the public record for a period of thirty (30) days, the Commission hereby issues its Complaint, makes the following jurisdictional findings and issues this Order to Hold Separate:

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

## **ORDER**

### **I.**

**IT IS ORDERED** that, as used in this order, the following definitions shall apply:

- A. “PCC” means Precision Castparts Corp., its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, including Wyman-Gordon after the Acquisition, divisions, groups and affiliates controlled by PCC, and the respective directors, officers, employees, agents and representatives, successors, and assigns of each.
- B. “Wyman-Gordon” means Wyman-Gordon Company, its directors, officers, employees, agents and representatives, predecessors, successors, and assigns; its subsidiaries, divisions, groups and affiliates controlled by Wyman-Gordon, and the respective directors, officers, employees, agents and representatives, successors, and assigns of each; “Wyman-Gordon” includes Wyman-Gordon Titanium Castings, LLC, the joint venture with Titanium Metals Corporation through which Wyman-Gordon conducts its Titanium Aerospace Investment Cast Components business.
- C. “Respondents” means PCC and Wyman-Gordon, individually and collectively.
- D. “Commission” means the Federal Trade Commission.
- E. “Doncasters” means Doncasters plc, a corporation organized, existing, and doing business under and by virtue of the laws of the United Kingdom, with its office and principal place of business located at 28-30 Derby Road, Melbourne, Derbyshire, United Kingdom.

- F. “Acquisition” means the proposed acquisition by PCC of all the voting securities of Wyman-Gordon.
- G. “Investment Casting” means a method of manufacturing metal components, whereby a wax model of the metal component is dipped into a ceramic slurry which dries to form a ceramic shell. The wax is then removed using a special furnace, leaving a cavity within the ceramic shell into which molten metal is poured. Once the metal cools, the ceramic shell is removed producing dimensionally precise metal components.
- H. “Aerospace Investment Cast Components” means dimensionally precise metal components manufactured using the Investment Casting process that are used primarily in aerospace jet engine and aerospace airframe applications.
- I. “Titanium Aerospace Investment Cast Components” means Aerospace Investment Cast Components manufactured using titanium alloy.
- J. “Albany Facility” means Wyman-Gordon’s Investment Casting manufacturing plant located at 150 Queen Avenue SW, Albany, Oregon 97321, and all assets used in the production of Titanium Aerospace Investment Cast Components at the Albany Facility.
- K. “Groton Large Parts Facility” means Wyman-Gordon’s Investment Casting manufacturing plant located at 839 Poquonnock Road, Groton, Connecticut 06340, identified by Wyman-Gordon for internal accounting purposes as Plant 08, and all assets used in the production of Aerospace Investment Cast Components at the Groton Large Parts Facility included in the Groton Divestiture Agreement, as defined in Paragraph I.U. in the Decision & Order.
- L. “Groton Facility” means Wyman-Gordon’s Investment Casting manufacturing plants, referred to internally by Wyman-Gordon as Plant 08 and Plant 02, located at 839 Poquonnock Road, Groton, Connecticut 06340, and all assets used in the production of Aerospace Investment Cast Components at the Groton Facility.
- M. “Albany Facility Assets” means all assets, properties, businesses and goodwill, tangible and intangible, of Wyman-Gordon used in the development, manufacture and sale of Titanium Aerospace Investment Cast Components at the Albany Facility, including, without limitation, the following:
1. all owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located in Wyman-Gordon’s Albany

Facility;

2. all intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, as defined in Paragraph I.L. of the Decision & Order, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data; provided, however, that this does not include any rights in the name “Wyman-Gordon”;
3. all customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;
4. all rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Titanium Aerospace Investment Cast Component; all rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors, consignees;
5. all rights under warranties and guarantees, express or implied;
6. all books, records and files, and all items of prepaid expense; and
7. all Sales and Service Operations.

N. “Groton Large Parts Facility Assets” means all assets, properties, businesses and goodwill, tangible and intangible, of Wyman-Gordon used in the development, manufacture and sale of Aerospace Investment Cast Components at the Groton Large Parts Facility, including, without limitation, the following:

1. all owned or leased real property and improvements, buildings, plants, manufacturing operations, machinery, fixtures, equipment, furniture, tools and other tangible personal property located in Wyman-Gordon’s Groton Large Parts Facility;
2. all intellectual property, inventions, technology, trademarks, trade names, trade secrets, copyrights, Manufacturing Know-How, research material, technical information, management information systems, software specifications, designs, drawings, processes and quality control data; provided, however, that this does not include any rights in the name

“Wyman-Gordon”;

3. all customer lists, vendor lists, catalogs, sales promotion literature and advertising materials; inventory and storage capacity; rights, titles and interests in and to owned or leased real property, together with appurtenances, licenses and permits;
4. all rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Aerospace Investment Cast Component; all rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors, consignees;
5. all rights under warranties and guarantees, express or implied;
6. all books, records and files, and all items of prepaid expense; and

4. all rights, titles and interests in and to contracts relating to the development, manufacture and sale of any Aerospace Investment Cast Component; all rights, titles and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors, consignees;
- 5.

harm to competition pending divestiture and other relief.

B. Respondents shall hold the Albany Facility Assets separate and independent on the following terms and conditions:

1. The Commission at any time may appoint an Independent Auditor to monitor Respondents'

with this Order to Hold Separate.

- d. The Independent Auditor shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonable and necessary to carry out the Independent Auditor's duties and responsibilities. The Independent Auditor shall account for all expenses incurred, including fees for his/her services, subject to the approval of the Commission.
  - e. Respondents may require the Independent Auditor to sign a confidentiality agreement prohibiting the disclosure of any Material Confidential Information gained as a result of his or her role as Independent Auditor to anyone other than the Commission.
3. Respondents shall appoint, subject to the approval of the Independent Auditor, three (3) individuals from among the current employees of Wyman-Gordon working in the management, sales, marketing, or financial operations of the Titanium Aerospace Investment Cast Components business at the Albany Facility to manage and maintain the Albany Facility Assets. The Management Team, in its capacity as such, shall report



Hold Separate.

6. The Albany Facility shall be staffed with sufficient employees to maintain the viability and competitiveness of that facility. Employees of the Albany Facility shall include: (i) all personnel employed by the Albany Facility as of the date the Commission accepts the Consent Agreement for public comment; and (ii) those persons hired from other sources. The Management Team, with the approval of the Independent Auditor, shall have the authority to replace employees who have otherwise left their positions with the Albany Facility since January 1, 1999. To the extent that employees of the Albany Facility leave the Albany Facility prior to the divestiture of the Albany Facility Assets, the Management Team, with the approval of the Independent Auditor, may replace the departing employees of the Albany Facility with persons who have similar experience and expertise.
7. Respondents shall cause the Independent Auditor, each member of the Management Team, and each employee of the Albany Facility to submit to the Commission a signed statement that the individual will maintain the confidentiality required by the terms and conditions of this Order to Hold Separate. These individuals must retain and maintain all Material Confidential Information relating to the held separate business on a confidential basis and, except as is permitted by this Order to Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person whose employment involves any of Respondents' businesses other than the Albany Facility business. These persons shall not be involved in any way in the management, sales, marketing, and financial operations of the competing products of Respondents.
8. Respondents shall establish written procedures to be approved by the Independent Auditor covering the management, maintenance, and independence of the Albany Facility Assets consistent with the provisions of this Order to Hold Separate.
9. Respondents shall circulate to employees of the Albany Facility and to Respondents' employees who are responsible for the operation or marketing of Titanium Aerospace Investment Cast Components in the United States, a notice of this Order to Hold Separate and Consent Agreement, in the form attached as Attachment A.
10. The Independent Auditor, if one is appointed, and the Management Team shall serve, without bond or other security, at the cost and expense of

Respondents, on reasonable and customary terms commensurate with the person's experience and responsibilities. Respondents shall indemnify the Independent Auditor and the Management Team, and hold the Independent Auditor and the Management Team harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Independent Auditor's or the Management Team's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for or defense of any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Independent Auditor or the Management Team.

11. Respondents shall provide the Albany Facility with sufficient working capital to operate the Albany Facility at least at current rates of operation, to meet all capital calls with respect to the Albany Facility and to carry on, at least at their scheduled pace, all capital projects for the Albany Facility that are ongoing or approved as of January 1, 1999. In addition, Respondents shall continue, at least at their scheduled pace, any additional expenditures for the Albany Facility authorized prior to the date this Order to Hold Separate is signed by Respondents. During the period this Order to Hold Separate is effective, Respondents shall make available for use by the Albany Facility funds sufficient to perform all necessary routine maintenance to, and replacements of, assets of the Albany Facility. Respondents shall provide the Albany Facility with such funds as are necessary to maintain the viability, competitiveness, and marketability of the Albany Facility Assets until the date the divestiture is completed, provided the Albany Facility may not assume any new long-term debt except as necessary to meet a competitive threat and as approved by the Independent Auditor.
12. Respondents shall continue to provide the same support services to the Albany Facility Assets as are being provided to such assets by Wyman-Gordon as of the date this Order to Hold Separate is signed by Respondents. Respondents may charge the Albany Facility the same fees, if any, charged by Respondents for such support services as of the date this Order to Hold Separate is signed by Respondents. Respondents' personnel providing such support services must retain and maintain all Material Confidential Information of the Albany Facility Assets on a confidential basis, and, except as is permitted by this Order to Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any person whose employment involves any of Respondents' businesses, other

than the Titanium Aerospace Investment Cast Components business at the Albany Facility. Such personnel shall also execute confidentiality agreements prohibiting the disclosure of any Material Confidential Information of the Albany Facility Assets.

13. Except as provided in this Order to Hold Separate, Respondents shall not employ or make offers of employment to employees of the Albany Facility during the hold separate period. The acquirer of the Albany Facility Assets shall have the option of offering employment to the Albany Facility employees. After the hold separate period, Respondents may offer employment to Albany Facility employees who have not been offered employment or have been terminated by the acquirer of the Albany Facility Assets. Respondents shall not interfere with the employment of employees of the Albany Facility by the acquirer of the Albany Facility Assets; shall not offer any incentive to said employees to decline employment with the acquirer of the Albany Facility Assets or accept other employment with Respondents; and shall remove any impediments that may deter employees of the Albany Facility from accepting employment with the acquirer of the Albany Facility Assets including, but not limited to, any non-compete or confidentiality provisions of employment or other contracts with the Albany Facility that would affect the ability of employees of the Albany Facility to be employed by the acquirer of the Albany Facility Assets.
14. For a period of one (1) year commencing on the date the Albany Facility Assets are divested, Respondents shall not employ or make offers of employment to any Key Employee of the Albany Facility who has been offered employment with the acquirer of the Albany Facility Assets unless such individual has been terminated by the acquirer of the Albany Facility Assets.
15. Notwithstanding subparagraph II.B.14., Respondents may offer a bonus or severance to those Key Employees of the Albany Facility that continue their employment with the Albany Facility until the date that the Albany Facility Assets are divested.
16. Respondents shall not exercise direction or control over, or influence directly or indirectly, the Albany Facility Assets, the Independent Auditor, the Management Team, or any of its operations; provided, however, that Respondents may exercise only such direction and control over the Albany Facility Assets as are necessary to assure compliance with this Order to Hold Separate or the Consent Agreement, or with all applicable laws.
17. Except for the Management Team and except to the extent provided in

subparagraphs II.B.12. and II.B.16., Respondents shall not permit any non-Albany Facility employees, officers, or directors to be involved in the operations of the Albany Facility Assets.

18. Respondents shall maintain the viability, competitiveness, and marketability of the Albany Facility Assets; shall not sell, transfer, or encumber any of the Albany Facility Assets (other than in the normal course of business); and shall not cause or permit the destruction, removal, wasting, or deterioration, or otherwise impair the viability, competitiveness, or marketability of the Albany Facility Assets.
19. If the Independent Auditor ceases to act or fails to act diligently and consistent with the purposes of this Order to Hold Separate, the Commission may appoint a substitute Independent Auditor in the same manner as provided in Paragraph II.B.1. of this Order to Hold Separate.
20. Until the divestiture of the Albany Facility Assets is accomplished, Respondents shall ensure that Albany Facility employees continue to be paid their salaries, all accrued bonuses, pensions and other accrued benefits to which such employees would otherwise have been entitled had they remained in the employment of Wyman-Gordon during the hold separate period.
21. Except as required by law, and except to the extent that necessary information is exchanged in the course of consummating the Acquisition, defending investigations, defending or prosecuting litigation, obtaining legal advice, negotiating agreements to divest assets pursuant to the Consent Agreement, or complying with this Order to Hold Separate or the Consent Agreement, Respondents shall not receive or have access to, or use or continue to use, any Material Confidential Information, not in the public domain, about the Albany Facility Assets. Respondents may receive, on a regular basis, aggregate financial information relating to the Albany Facility necessary to allow Respondents to prepare United States consolidated financial reports and tax returns. Any such information that is obtained pursuant to this subparagraph shall be used only for the purposes set forth in this subparagraph.
22. Within thirty (30) days after the date Respondents sign the Consent Agreement and every thirty (30) days thereafter until the Order to Hold Separate terminates, the Independent Auditor or the Management Team shall report in writing to the Commission concerning the efforts to accomplish the purposes of this Order to Hold Separate. Included within that report shall be the Independent Auditor's or the Management Team's

assessment of the extent to which the Albany Facility is meeting (or exceeding) its projected goals as are reflected in operating plans, budgets, projections or any other regularly prepared financial statements.

### **III.**

**IT IS FURTHER ORDERED** that until the date the Commission issues the Decision & Order, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Groton Facility Assets, and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Groton Facility Assets except for ordinary wear and tear.

### **IV.**

**IT IS FURTHER ORDERED** that:

- A. If the Groton Large Parts Facility Assets are not divested to Doncasters pursuant to Paragraph IV.A.1. of the Decision & Order, or if the Commission orders rescission of the Groton Divestiture Agreement with Doncasters pursuant to Paragraph 12 of the Consent Agreement, Respondents shall hold the Groton Facility Assets as a separate and independent business, except to the extent that Respondents must exercise direction and control over the Groton Facility Assets to assure compliance with this Order to Hold Separate, or with the Consent Agreement, and except as otherwise provided in this Order to Hold Separate, and shall vest the Groton Facility with all powers and authorities necessary to conduct its business. The purpose of this Order is to: (i) preserve the Groton Facility as a viable, competitive, and ongoing Aerospace Investment Cast Components business, independent of Respondents, until divestiture is achieved; (ii) assure that no Material Confidential Information is exchanged between Respondents and the Groton Facility; and (iii) prevent interim harm to competition pending divestiture and other relief.
- B. Respondents shall hold the Groton Facility Assets separate and independent on the following terms and conditions:
  - 1. The Commission at any time may appoint an Independent Auditor to monitor Respondents' compliance with Paragraph IV. of this Order to Hold Separate, and Respondents shall give the Independent Auditor, if one is appointed, all powers and authority necessary to effectuate his/her responsibilities pursuant to this Order to Hold Separate. The Independent Auditor for the Groton Facility may be the same person as the Independent Auditor appointed by the Commission for the Albany Facility Assets pursuant to Paragraph II.B.1. of this Order to Hold Separate.

2. If an Independent Auditor is appointed by the Commission for the Groton Facility Assets, Respondents shall consent to the following procedures:
  - a. The Commission shall select the Independent Auditor, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The Independent Auditor shall be a person with experience necessary to perform his or her duties. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed Independent Auditor within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Independent Auditor, Respondents shall be deemed to have consented to the selection of the proposed Independent Auditor.
  - b. Within ten (10) days after appointment of the Independent Auditor, Respondents shall execute an Independent Auditor agreement that, subject to the prior approval of the Commission, transfers to the Independent Auditor all rights and powers necessary to permit the Independent Auditor to perform his or her duties.
  - c. The Independent Auditor shall have full and complete access to all personnel, books, records, documents and facilities of Respondents or to any other relevant information relating to the Groton Facility Assets, as the Independent Auditor may reasonably request, including but not limited to all documents and records kept in the normal course of business that relate to the Groton Facility Assets. Respondents shall develop such financial or other information as the Independent Auditor may reasonably request and shall cooperate with the Independent Auditor. Respondents shall take no action to interfere with or impede the Independent Auditor's ability to perform his/her responsibilities consistent with the terms of this Order to Hold Separate or to monitor Respondents' compliance with this Order to Hold Separate.
  - d. The Independent Auditor shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonable and necessary to carry out the Independent Auditor's duties and responsibilities. The Independent Auditor shall account for all expenses incurred, including fees for his/her services, subject to the approval of the Commission.

- e. Respondents may require the Independent Auditor to sign a confidentiality agreement prohibiting the disclosure of any Material Confidential Information gained as a result of his or her role as Independent Auditor to anyone other than the Commission.
3. Respondents shall appoint, subject to the approval of the Independent Auditor, three (3) individuals from among the current employees of Wyman-Gordon working in the management, sales, marketing, or financial operations of the Aerospace Investment Cast Components business at the Groton Facility, to manage and maintain the Groton Facility Assets. This additional Management Team, in its capacity as such, shall report directly and exclusively to the Independent Auditor, and shall manage the Groton Facility Assets independently of the management of Respondents. The Groton Management Team shall not be involved in any way in the operations of the businesses of Respondents, other than the Aerospace Investment Cast Components business at the Groton Facility, during the hold separate period.
4. Respondents shall not change the composition of the management of the Groton Facility, except that the Management Team shall be permitted to remove management employees for cause subject to the approval of the Independent Auditor. The Independent Auditor shall have the power to remove members of the Management Team for cause and to require Respondents to appoint replacement members to the Management Team in the same manner as provided in subparagraph IV.B.3. of this Order to Hold Separate.
5. The Independent Auditor shall have responsibility, through the Management Team, for managing the Groton Facility Assets consistent with the terms of this Order to Hold Separate; for maintaining the independence of the Groton Facility Assets consistent with the terms of this Order to Hold Separate and the Consent Agreement; and for assuring Respondents' compliance with their obligations pursuant to this Order to Hold Separate.
6. The Groton Facility shall be staffed with sufficient employees to maintain the viability and competitiveness of that facility. Employees of the Groton Facility shall include: (i) all personnel employed by the Groton Facility as of the date the Commission accepts the Consent Agreement for public comment; and (ii) those persons hired from other sources. The Management Team, with the approval of the Independent Auditor, shall have the authority to replace employees who have otherwise left their positions with the Groton Facility since January 1, 1999. To the extent

that employees of the Groton Facility leave the Groton Facility prior to the divestiture of the Groton Facility Assets, the Management Team, with the approval of the Independent Auditor, may replace the departing employees of the Groton Facility with persons who have similar experience and expertise.

7. Respondents shall cause the Independent Auditor, each member of the Management Team, and each employee of the Groton Facility to submit to the Commission a signed statement that the individual will maintain the confidentiality required by the terms and conditions of this Order to Hold Separate. These individuals must retain and maintain all Material Confidential Information relating to the held separate business on a confidential basis and, except as is permitted by this Order to Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person whose employment involves any of Respondents' businesses other than the Groton Facility business. These persons shall not be involved in any way in the management, sales, marketing, and financial operations of the competing products of Respondents.
8. Respondents shall establish written procedures to be approved by the Independent Auditor covering the management, maintenance, and independence of the Groton Facility Assets consistent with the provisions of this Order to Hold Separate.
9. Respondents shall circulate to employees of the Groton Facility and to Respondents' employees who are responsible for the operation or marketing of Aerospace Investment Cast Components in the United States, a notice of this Order to Hold Separate and Consent Agreement, in the form attached as Attachment B.
10. The Independent Auditor, if one is appointed, and the Management Team shall serve, without bond or other security, at the cost and expense of Respondents, on reasonable and customary terms commensurate with the person's experience and responsibilities. Respondents shall indemnify the Independent Auditor and the Management Team, and hold the Independent Auditor and the Management Team harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Independent Auditor's or the Management Team's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for or defense of any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities or expenses result from misfeasance, gross negligence,



willful or wanton acts, or bad faith by the Independent Auditor or the Management Team.

11. Respondents shall provide the Groton Facility with sufficient working capital to operate the Groton Facility, at least at current rates of operation, to meet all capital calls with respect to the Groton Facility and to carry on, at least at their scheduled pace, all capital projects for the Groton Facility that are ongoing or approved as of January 1, 1999. In addition, Respondents shall continue, at least at their scheduled pace, any additional expenditures for the Groton Facility authorized prior to the date this Order to Hold Separate is signed by Respondents. During the period this Order to Hold Separate is effective, Respondents shall make available for use by the Groton Facility funds sufficient to perform all necessary routine maintenance to, and replacements of, assets of the Groton Facility. Respondents shall provide the Groton Facility with such funds as are necessary to maintain the viability, competitiveness, and marketability of the Groton Facility Assets until the date the divestiture is completed, provided the Groton Facility may not assume any new long-term debt except as necessary to meet a competitive threat and as approved by the Independent Auditor.
12. Respondents shall continue to provide the same support services to the Groton Facility Assets as are being provided to such assets by Wyman-Gordon as of the date this Order to Hold Separate is signed by Respondents. Respondents may charge the Groton Facility the same fees, if any, charged by Respondents for such support services as of the date this Order to Hold Separate is signed by Respondents. Respondents' personnel providing such support services must retain and maintain all Material Confidential Information of the Groton Facility Assets on a confidential basis, and, except as is permitted by this Order to Hold Separate, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any person whose employment involves any of Respondents' businesses. Such personnel shall also execute confidentiality agreements prohibiting the disclosure of any Material Confidential Information of the Groton Facility Assets.
13. Except as provided in this Order to Hold Separate, Respondents shall not employ or make offers of employment to employees of the Groton Facility during the hold separate period. The acquirer of the Groton Facility Assets shall have the option of offering employment to Groton Facility employees. After the hold separate period, Respondents may offer employment to Groton Facility employees who have not been offered employment or have

been terminated by the acquirer of the Groton Facility Assets. Respondents shall not interfere with the employment of employees of the Groton Facility by the acquirer of the Groton Facility Assets; shall not offer any incentive to said employees to decline employment with the acquirer of the Groton Facility Assets or accept other employment with Respondents; and shall remove any impediments that may deter employees of the Groton Facility from accepting employment with the acquirer of the Groton Facility Assets including, but not limited to, any non-compete or confidentiality provisions of employment or other contracts with the Groton Facility that would affect the ability of employees of the Groton Facility to be employed by the acquirer of the Groton Facility Assets.

14. For a period of one (1) year commencing on the date the Groton Facility Assets are divested, Respondents shall not employ or make offers of employment to any Key Employee of the Groton Facility who has been offered employment with the acquirer of the Groton Facility Assets unless such individual has been terminated by the acquirer of the Groton Facility Assets.
15. Notwithstanding subparagraph IV.B.14., Respondents may offer a bonus

consistent with the purposes of this Order to Hold Separate, the Commission may appoint a substitute Independent Auditor in the same manner as provided in Paragraph IV.B.1. of this Order to Hold Separate.

20. Until the divestiture of the Groton Facility Assets is accomplished, Respondents shall ensure that Groton Facility employees continue to be paid their salaries, all accrued bonuses, pensions and other accrued benefits to which such employees would otherwise have been entitled had they remained in the employment of Wyman-Gordon during the hold separate period.
21. Except as required by law, and except to the extent that necessary information is exchanged in the course of consummating the Acquisition, defending investigations, defending or prosecuting litigation, obtaining legal advice, negotiating agreements to divest assets pursuant to the Consent Agreement, or complying with this Order to Hold Separate or the Consent Agreement, Respondents shall not receive or have access to, or use or continue to use, any Material Confidential Information, not in the public domain, about the Groton Facility Assets. Respondents may receive, on a regular basis, aggregate financial information relating to the Groton Facility necessary to allow Respondents to prepare United States consolidated financial reports and tax returns. Any such information that is obtained pursuant to this subparagraph shall be used only for the purposes set forth in this subparagraph.
22. Within thirty (30) days after the date Respondents sign the Consent Agreement and every thirty (30) days thereafter until the Order to Hold Separate terminates, the Independent Auditor or the Management Team shall report in writing to the Commission concerning the efforts to accomplish the purposes of this Order to Hold Separate. Included within that report shall be the Independent Auditor's or the Management Team's assessment of the extent to which the Groton Facility, if applicable, is meeting (or exceeding) its projected goals as are reflected in operating plans, budgets, projections or any other regularly prepared financial statements.

## V.

**IT IS FURTHER ORDERED** that Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate Respondents such as dissolution,

assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of this Order to Hold Separate.

## VI.

**IT IS FURTHER ORDERED** that for the purposes of determining or securing compliance with this Order to Hold Separate, and subject to any legally recognized privilege, and upon written request with reasonable notice to Respondents made to their principal United States offices, Respondents shall permit any duly authorized representatives of the Commission:

- A. Access, during office hours of Respondents and in the presence of counsel, to all facilities, and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and all other records and documents in the possession or under the control of Respondents relating to compliance with this Order to Hold Separate; and
- B. Upon five (5) days' notice to Respondents and without restraint or interference from Respondents, to interview officers, directors, or employees of Respondents, who may have counsel present, regarding such matters.

## VII.

**IT IS FURTHER ORDERED** that this Order to Hold Separate shall terminate on the earlier of:

- A. Three (3) business days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34; or

- B. Three (3) business days after the divestiture of the Albany Facility Assets, or three (3) business days after the divestiture of the Groton Facility Assets (provided the Groton Large Parts Facility Assets have not been divested to Doncasters pursuant to Paragraph IV.A.1 of the Decision & Order), whichever is later.

By the Commission.

Donald S. Clark  
Secretary

SEAL

ISSUED: November 9, 1999

## **ATTACHMENT A**

### **NOTICE OF DIVESTITURE AND REQUIREMENT FOR CONFIDENTIALITY**

Precision Castparts Corp. (“PCC”) and Wyman-Gordon Company (“Wyman-Gordon”), hereinafter referred to as “Respondents,” have entered into an Agreement Containing Consent Orders (“Consent Agreement”) with the Federal Trade Commission relating to the divestiture of certain assets.

As used herein, the term "Albany Facility," as defined in Paragraph I.M. of the Federal Trade Commission’s Decision & Order, means Wyman-Gordon’s Titanium Aerospace Investment Cast Components manufacturing facility.

As used herein, the term “Albany Facility Assets,” as defined in Paragraph I.P. of the Decision & Order, means the Wyman-Gordon assets located at the Albany Facility that are used to develop, manufacture and sell Titanium Aerospace Investment Cast Components. Under the terms of the Consent Agreement, Respondents must divest the Albany Facility Assets within six (6) months from the date they sign the Consent Agreement.

The term "Acquisition" means the acquisition of 100% of the voting securities of Wyman-Gordon by PCC.

The Albany Facility Assets must be managed and maintained as a separate, ongoing business, independent of all other businesses of the Respondents until such assets are divested. All competitive information relating to the Albany Facility Assets must be retained and maintained by the persons involved in the operation of those assets on a confidential basis, and such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person whose employment involves any other business of the Respondents. Similarly, persons involved in similar activities at Wyman-Gordon or PCC shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any similar information to or with any other person whose employment involves the Albany Facility Assets.

Any violation of the Consent Agreement may subject Respondents to civil penalties and other relief as provided by law.

## **ATTACHMENT B**

### **NOTICE OF DIVESTITURE AND REQUIREMENT FOR CONFIDENTIALITY**

Precision Castparts Corp. (“PCC”) and Wyman-Gordon Company (“Wyman-Gordon”), hereinafter referred to as “Respondents,” have entered into an Agreement Containing Consent Orders (“Consent Agreement”) with the Federal Trade Commission relating to the divestiture of certain assets.

As used herein, the term “Groton Facility,” as defined in Paragraph I.O. of the Federal Trade Commission’s Decision & Order, means Wyman-Gordon’s Aerospace Investment Cast Components manufacturing facility.

As used herein, the term “Groton Facility Assets,” as defined in Paragraph I.R. of the Decision & Order, means the Wyman-Gordon assets located at the Groton Facility that are used to develop, manufacture and sell Aerospace Investment Cast Components. Under the terms of the Consent Agreement, if Respondents fail to divest the Groton Large Parts Facility Assets, as defined in Paragraph I.Q. of the Decision & Order, to Doncasters pursuant to Paragraph IV.A.1. of the Decision & Order, Respondents must divest the Groton Facility Assets within six (6) months from the date they sign the Consent Agreement.

The term "Acquisition" means the acquisition of 100% of the voting securities of Wyman-Gordon by PCC.

The Groton Facility Assets must be managed and maintained as a separate, ongoing business, independent of all other businesses of the Respondents until such assets are divested. All competitive information relating to the Groton Facility Assets must be retained and maintained by the persons involved in the operation of those assets on a confidential basis, and such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person whose employment involves any other business of the Respondents. Similarly, persons involved in similar activities at Wyman-Gordon or PCC shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any similar information to or with any other person whose employment involves the Groton Facility Assets.

Any violation of the Consent Agreement may subject Respondents to civil penalties and other relief as provided by law.