



Department of Justice

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ICONIX BRAND GROUP TO PAY \$550,000 CIVIL PENALTY FOR VIOLATING ANTITRUST PRE-MERGER NOTIFICATION REQUIREMENTS

Violation Occurred When Iconix Acquired Rocawear

WASHINGTON — Iconix Brand Group has agreed to pay \$550,000 to settle charges that the company failed to produce certain documents before buying Rocawear, an acquisition requiring pre-merger review, the Department of Justice announced today.

The Department of Justice's Antitrust Division today filed a civil lawsuit in U.S. District Court in Washington, D.C., against Iconix for violating the Hart-Scott-Rodino Act of 1976. At the same time, the Department filed a proposed settlement that, if approved by the court, will settle the charges.

According to the complaint, Iconix violated pre-merger notification requirements when it acquired the Rocawear brand by failing to submit to the antitrust enforcement agencies certain company documents with its pre-merger notification. The Hart-Scott-Rodino (HSR) Act imposes notification and waiting period requirements on individuals and companies over a certain size before they can consummate acquisitions of stock or assets over a certain value. For transactions that must be reported, the Act further requires the parties to supply certain documents prepared or reviewed by the company's officers and directors in connection with their evaluation or analysis of the proposed transaction. Iconix submitted no such documents, despite the fact that such documents existed, including a formal presentation made to its Board of Directors about the transaction and a less formal e-mail among officers and directors. In addition, when initially asked to review whether such documents existed, the company falsely reaffirmed that no such documents existed.

"Compliance with Hart-Scott-Rodino Act filing obligations is fundamental to the agencies' ability quickly and accurately to evaluate a transaction's competitive impact," said Thomas O. Barnett, Assistant Attorney General of the Department's Antitrust Division. "Filing parties must understand that the Division will vigorously enforce filing requirements even if we conclude that the transaction poses no threat to competition or consumers."

By law, a party is subject to a maximum civil penalty of \$11,000 for each day it has been found to be in violation of the HSR Act.

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