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**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

STEVES AND SONS, INC.,

Plaintiff,

v.

Civil Action No. 3:16cv545

JELD-WEN, INC.,

Defendant.

**ORDER OF DIVESTITURE AND
RELATED CONDUCT REMEDIES**

For the reasons set forth in the accompanying Memorandum Opinion, the Court finds that:

(1) Without the equitable remedies of divestiture, and the related conduct remedies herein provided, it is not possible to restore the substantially lessened competition in the market for interior molded doorskins that the jury found was the consequence of the acquisition of Craftmaster International, Inc. ("CMI") by JELD-WEN, Inc. ("JELD-WEN") (the "Merger") in October 2012, which merger violated the Section 7 Clayton Act (____ U.S.C. ____); and

(2) Steves and Sons, Inc. ("Steves") sustained antitrust injury as found by the jury as a consequence of the violation of the Clayton Act found by the jury and Steves has no adequate remedy at law for the antitrust injury found by the jury; and

(3) Without the divestiture and the related conduct remedies herein provided, Steves will suffer irreparable injury in the form of the loss of its business; and

(4) As a result of the divestiture and the related conduct remedies herein provided, JELD-WEN will sustain certain hardships as identified in the Memorandum Opinion; and

(5) The hardships that Steves will suffer if the divestiture and the related conduct remedies herein provided are not granted substantially outweigh the hardships to JELD-WEN if the divestiture and the related conduct remedies herein provided are granted so that the balance of hardships tips decidedly in favor of Steves; and

(6) The public interest is best served by ordering divestiture and the related conduct remedies herein provided; and

THEREFORE, it is ORDERED THAT:

A. JELD-WEN shall divest itself of:

- (1) All tangible and intangible assets that were acquired by JELD-WEN when it acquired CMI on October 24, 2018, that are used by JELD-WEN to operate and/or manage its Towanda, Pennsylvania facility (the "Towanda Facility") (manage or management shall include sales of doorskins made at the Towanda facility); and
- (2) All inventory, materials, supplies, office furniture, computer systems, and other tangible

property used in the operation or management of the Towanda facility; and

- (3) All licenses, permits and authorizations issued by any governmental organization relating to the operation of the Towanda facility; and
- (4) All contracts, agreements, leases, commitments, certifications, and understandings, relating to the operation and management of the Towanda facility, including supply agreements, all customer lists, accounts, and credit records; and
- (5) All repair and performance records and all other records relating to the Towanda facility; and
- (6) All intangible assets used in the operation or management of the Towanda facility, including, but not limited to, all patents, licenses and sublicenses, intellectual property, copyrights, trademarks, trade names, service marks, service names, technical information, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, specifications for parts and devices, safety procedures for the handling of materials and substances, all research data concerning historic and current research and

development relating to the Towanda facility assets, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information JELD-WEN provides to its own employees, customers, suppliers, agents or licensees, and all research data concerning historic and current research and development efforts relating to the Towanda facility assets, including, but not limited to, designs of experiments, and results of successful and unsuccessful designs and experiments; and

- (7) All technology (whether software, hardware, or both), know-how (including trade secrets), and other intellectual property rights reasonably necessary for the operation or management of the Towanda facility in the same general manner that it is operated and managed as of this date; and
- (8) All tangible and intangible assets, as described above, that were or are acquired, developed, or produced for use in the operation and management of the Towanda facility between October 2012 and the date of the divestiture herein provided; and

B. The Court will appoint a Special Master pursuant to Fed. R. Civ. P. 53 to arrange the divestiture to an acquiring company that demonstrates the ability competitively to manufacture and sell molded interior doorskins in the United States and to assure that, until the divestiture is complete, the Towanda facility is preserved, operated and maintained in good operating condition and that it is operated in accord with applicable law. The fees of the Special Master will be paid by JELD-WEN. The parties will be afforded the opportunity to participate in the preparation of a detailed order setting out the duties of the Special Master and the administration of the process of divestiture over which the Special Master will preside; and

C. JELD-WEN and the entity that acquires Towanda (the "Acquiring Company") shall enter into a Transition Services Agreement that reflects JELD-WEN's obligation and agreement to provide, for two years, all reasonably necessary transition services and support to enable the Acquiring Company to fully utilize the divested assets and to compete effectively in the market for doorskins in the United States as of the date of the divestiture takes place. The Special Master shall facilitate the negotiation of the Transition Services Agreement which shall, inter alia, provide reasonable compensation to JELD-WEN and the Transition Services Agreement shall not take effect until approved by the Court; and

D. The Acquiring Company and Steves shall enter into an agreement which will assure Steves a supply of molded interior doorskins of the kind and in the volume reflected in the current Supply Agreement with JELD-WEN for three years after 2021 at prices to be negotiated between the Acquiring Company and Steves; and

E. The Acquiring Company and JELD-WEN shall enter into an agreement that reflects the Acquiring Company's obligation and agreement to supply, for at least a two year period, doorskins to JELD-WEN at prices to be negotiated between JELD-WEN and the Acquiring Company; and

F. The Special Master shall facilitate negotiation of the agreements called for in Paragraphs D and E above, and those agreements shall not take effect until approved by the Court; and

G. Pursuant to the Supreme Court's decision in Brown Shoe Co. v. United States, 370 U.S. 294 (1962), this Order is an appealable decision. Id. at 308 n.15 (finding that a divestiture order in a Clayton Act case was sufficiently final to trigger appellate review even though "the details of [the] divestiture" had not been determined and that the public interest favored prompt appellate review of divestiture orders). The divestiture will be stayed pending appeal and, therefore, it is ORDERED that:

- (1) JELD-WEN shall continue to maintain and operate the Towanda facility during the pendency of the appeal unless otherwise ordered by the Court; and

(2) JELD-WEN shall not take any steps during the pendency of the appeal that would in any way reduce the value of the Towanda facility to a potential Acquiring Company or would make it more difficult or costly for the Acquiring Company to supply doorskins to Steves of the type, and in the quantity, that JELD-WEN supplies to Steves as of the date of the entry of this Order; and

(3) The appointment of a Special Master shall go forward as described herein so that the Special Master can monitor JELD-WEN's compliance with the obligations set out in this Order, pending appeal. The Special Master will also be able to become knowledgeable about the doorskin marketplace and the parties' roles in that marketplace. The Special Master will have access to the materials described in this Order, as well as the cooperation of JELD-WEN described in this Order; and

H. JELD-WEN may not reacquire any part of the divestiture assets during the term of this Order; and

I. This Court retains jurisdiction to enable any party to this Order to apply to this Court at any time for further orders and directions as may be necessary and appropriate to carry out or

