IN THE MATTER OF

AUTOMATIC DATA PROCESSING, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket 9282. Complaint, Nov. 13, 1996--Decision, Oct. 20, 1997

This consent order requires, among other things, Automatic Data Processing, Inc.
("ADP"), the New Jersey salvage-yard parts trading information network, to
divest the former AutoInfo assets as an ongoing business, to grant the acquirer
a paid-up, perpetual, non-exclusive license to the "Hollander Interchange" (the
cross- indexed numbering system of interchangeable auto parts) and to provide
updates to the Hollander Interchange until the acquirer can create its own
updates. The consent order also requires ADP, for one year after divestiture,
to allow the acquirer to draw on ADP's technical assistance, and to allow
certain contractual customers to switch to the acquirer's product without
penalty. In addition, the consent order prohibits ADP from restricting its
employees from accepting employment with the acquirer and, for 10 years,
prohibits it from restricting its customers' ability to connect to and receive or
transmit inventory data through the acquirer's products and requires it to
provide information necessary for the acquirer or its licensees to create
interfaces with ADP's products. Finally, for 10 years, the consent order
requires ADP to obtain FTC approval before reacquiring any AutoInfo assets
and to notify the FTC before acquiring other assets used in salvage-yard
management or communications systems.

Appearances

For the Commission: *Howard Morse, Eric Rohlck* and *William
Baer.*

For the respondent: *Kevin Arquit, Rogers & Wells,* New York,
N.Y. and *Steve Newborn, Roger & Wells,* Washington, D.C.

COMPLAINT

The Federal Trade Commission ("Commission"), having reason
to believe that respondent Automatic Data Processing, Inc. ("ADP"),
a corporation, entered into an agreement with and acquired assets of
AutoInfo, Inc. ("AutoInfo"), in violation of Section 5 of the Federal
Trade Commission Act, as amended, 15 U.S.C. 45, and Section 7 of
the Clayton Act, as amended, 15 U.S.C. 18, and attempted to
monopolize and monopolized markets in violation of Section 5 of the
Federal Trade Commission Act, and that a proceeding in respect

thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

RESPONDENT AUTOMATIC DATA PROCESSING, INC.

1. Respondent Automatic Data Processing, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business at One ADP Boulevard, Roseland, New Jersey. ADP, which had total revenues of approximately $3 billion in 1995, provides information services and develops and sells computerized information systems to a variety of industries, including, through its Claims Solutions Group, to automotive salvage yards and insurance companies.

JURISDICTION

2. ADP is, and at all times relevant herein has been, engaged in commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. 12, and is a corporation whose business is in or affects commerce as "commerce" is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

THE ACQUISITION

3. Pursuant to a letter of intent entered in December 1994 and an asset purchase agreement dated January 31, 1995, ADP agreed to acquire assets of AutoInfo, a company that, like ADP, provided information services to automotive salvage yards and insurance companies. In 1994, prior to ADP's acquisition of AutoInfo assets, AutoInfo had sales in excess of $20 million. The acquired assets consisted of several business units of AutoInfo described in the January 31, 1995, asset purchase agreement and included all rights to the AutoInfo interchange, the Checkmate Computer Inventory System for salvage yards, the ORION Communications Network, the AutoInfo Locator, a computerized on-line service offered to insurance companies to locate salvage yard parts, and the assumption of the data collector responsibilities for the Automotive Recyclers Association ("ARA") International Database. These assets constituted substantially all of AutoInfo's assets involved in the development and sale of information services and products for the automotive salvage industry.

4. ADP and AutoInfo submitted Premerger Notification and Report Forms to the Federal Trade Commission and Department of

Justice pursuant to the Hart-Scott-Rodino Act ("HSR"), Section 7A of the Clayton Act, 15 U.S.C. 18a, on December 7, 1994. ADP's filing, however, was deficient because it failed to include documents responsive to Item 4(c) of the Premerger Notification and Report Form.

5. ADP consummated the transaction and acquired the AutoInfo assets on or about April 1, 1995 ("Acquisition").

6. ADP recertified its filing in January 1996, when it submitted a corrected filing with numerous documents responsive to Item 4(c). The withheld Item 4(c) documents demonstrated, among other things, that there was an anticompetitive intent underlying the proposed acquisition, that the proposed acquisition would create serious competitive concerns, and that ADP believed that the Acquisition would give ADP a monopoly or virtual monopoly in several product markets.

7. Had ADP submitted the required Item 4(c) documents in a timely manner, the Federal Trade Commission likely would have issued a Request for Additional Information and Documentary Material, as authorized under the HSR Act, 15 U.S.C. 18a(e)(1), and could have sought an injunction to prevent consummation of the Acquisition.

8. On April 10, 1996, the United States District Court for the District of Columbia ordered ADP to pay $2.97 million in civil penalties pursuant to a complaint and stipulation in settlement of civil penalty liability claims by the United States against ADP under Section 7A(g)(1) of the Clayton Act, 15 U.S.C. 18a(g)(1).

THE SALVAGE INDUSTRY

9. Salvage yards use the ADP and former-AutoInfo products in buying and selling used parts and parts-assemblies for automobiles and small trucks. Salvage yards obtain used parts by purchasing wrecked vehicles and dismantling the purchased wrecks into discrete parts or aggregations of parts called parts-assemblies. Salvage yards sell used parts and parts-assemblies (hereafter collectively referred to as "parts") to automotive repair shops, "do-it-yourself" consumers, other salvage yards, and other customers.

10. Salvage yards use computerized information systems to help them with buying and selling parts. Computerized information systems automate the process of managing inventories of parts and the process of making exchange sales with other salvage yards. Computer hardware and software are used, among other things, to

compile records on parts in stock, to locate requested parts in yard facilities, to prepare invoices and customer records, and to compile reports on sales activity. In addition, these computer systems are linked to electronic communications networks that enable yards to search for parts in the inventories of yards linked together on the network. Combined, these functions enabled by computerized information systems increase efficiency, lower costs, and increase sales volume for yards that use them.

11. One of the principal inventory-management functions -- locating requested parts in stock -- is facilitated within computerized information systems by an automobile and truck parts interchange, a numbering system that is unique to the salvage industry ("interchange"). An interchange is the product of a compilation of data about parts interchangeability cross-indexed by a numbering system, which provides a convention or code for assigning numbers to parts so as to identify groups of parts that are interchangeable. Automobile manufacturers ("OEMs") design and manufacture parts to be used across several models and over a number of years; hence, parts in a given vehicle share identical or virtually identical designs with parts of at least some other models and years. A number in the interchange represents a unique identifier for a class of parts that can be substituted for each other (*i.e.*, make a perfect or near-perfect fit when used as a replacement part). This coding system allows salvage yards to substitute parts built for a given model and year of a vehicle with interchangeable parts built for different models and years.

12. Extensive research and time is necessary to create a useful interchange because there are thousands of parts in a car or truck, numerous models from each manufacturer, a number of years of models with parts that are interchangeable -- yet a different range for each model and each part -- and a number of manufacturers. With each new model every year, OEMs often will use a unique OEM number for each individual part, regardless of the individual part's interchangeability.

13. Using an interchange, salvage yard personnel will be able to know whether they can satisfy a customer's request for a replacement part from the yard's inventory of parts even if they do not have a part from the exact model and year of the damaged vehicle. In this way, use of an interchange enables yards to increase their sales by identifying interchangeable parts for customer requests, which effectively expands their inventories.

14. Many salvage yards use a computerized inventory-control and database system called a yard management system, which employs an electronic version of the interchange. The interchange is built into the inventory database and designed to interact with it to automate the process of finding parts in stock. The salesperson can type in a part description, and the computer's internal database, utilizing the interchange in electronic form, will bring up a display on the computer monitor of the interchangeable parts that are in stock, along with their location in the storage facility.

15. Using an electronic communications network that is directly linked to its yard management system, a salvage yard can also automatically locate interchangeable parts in the inventories of other salvage yards that use the same yard management system and are linked to the same electronic network. The provider of the computerized information system creates a central inventory database pooling the inventory of the yard management systems customers. This central database can be searched by yards using the yard management system and the electronic network hook-up that transmits the search requests to the database and the search results back to the yard management system. These search results are displayed on the computer screen (and can be printed out in hard-copy) like searches done within the yard's own inventory. As with searches performed in-house, searches of the central database utilize the electronic interchange to locate interchangeable parts in other yards' inventories.

THE RELEVANT MARKETS

Salvage Yard Information Systems Market

16. A relevant line of commerce in which to assess the effects of the Acquisition is the integrated group of information products and services that form the complete salvage yard information systems network, consisting of an interchange integrated with yard management systems and electronic communications systems, described in paragraphs nine-fifteen and incorporated herein.

17. At the time of the Acquisition, ADP sold as a salvage yard information system the Hollander interchange, the Hollander Yard Management System ("HYMS"), and the Electronic Data Exchange Network ("EDEN"), an electronic communication network. ADP competed with AutoInfo, which sold a system that combined the AutoInfo interchange, the AutoInfo yard management system (available in different versions called "Classic," "Checkmate," and

"Checkmate Jr."), and ORION/RTS electronic communication network. ADP and AutoInfo, as well as salvage yards and fringe competitors, recognize that prior to the Acquisition, ADP and AutoInfo were fierce competitors and the only competitors offering integrated systems. ADP and AutoInfo competed for new and existing customers to whom they could sell and service salvage yard information systems.

18. There are no economic substitutes for the integrated group of products that makes up the salvage yard information systems market.

19. In addition to the salvage yard information systems market, each of the individual components constituting the salvage yard information systems market, described below, may be sold in separate lines of commerce that can be analyzed for purposes of determining the effects of the Acquisition.

Interchange Market

20. Another relevant line of commerce in which to analyze the effects of the Acquisition is the development and sale of automotive parts and assemblies interchanges.

21. There are no economic substitutes for an interchange. Automobile manufacturers do not make public data on parts interchangeability and do not provide a cross-indexing system to parts numbers between models or model years.

22. Before the Acquisition, ADP owned the Hollander Interchange, one of only two interchanges used by the salvage industry. AutoInfo owned the AutoInfo Interchange, the only other interchange used by the salvage industry.

Salvage Yard Management Systems Market

23. Another relevant line of commerce in which to analyze the effects of the Acquisition is the development and sale of yard management systems integrated with interchange.

24. ADP sells its yard management system under the name Hollander Yard Management System and HYMS Lite. The HYMS and HYMS Lite products integrated the Hollander Interchange. Prior to the Acquisition, AutoInfo sold yard management systems called "Checkmate," "Checkmate Jr." and "Classic." AutoInfo's yard management systems integrated the AutoInfo Interchange. After the Acquisition, ADP announced that it would not sell Checkmate, Checkmate Jr. or Classic for new installations, and has not sold any new units of these products.

Electronic Communications Systems Market

25. Another relevant line of commerce in which to assess the effects of the Acquisition is the development and sale of electronic communications systems used by salvage yards to locate parts through searches of a central database of parts.

26. Other communications methods, such as the use of either ordinary public-switched telephone service and leased open party lines, often referred to as "hoot 'n holler" lines, are not effective substitutes for the electronic communication systems.

27. ADP sells a fee-based service using an electronic network called EDEN. Customers can use EDEN to link their HYMS yard management system into a central database, maintained by ADP, which is linked to other HYMS units that utilize EDEN. Prior to the Acquisition, AutoInfo sold a fee-based service using an electronic network called ORION/RTS. Customers used ORION/RTS to link their Checkmate yard management system into a central database, which was linked to other Checkmate units that utilized ORION. These electronic communications services can be used as standalone products by salvage yards that want access to the central database of available parts and assemblies to locate parts but that do not contribute their inventory data to the central database, and thus cannot sell parts through the electronic communications system.

Salvage Yard Inventory Data for Estimates Market

28. Another relevant line of commerce in which to assess the effects of the Acquisition is the collection and provision of salvage yard inventory data to customers who provide such data as a part of estimating products sold to insurance companies.

29. Insurance companies use estimating software products developed and sold by companies such as ADP, CCC Information Services and Mitchell International to assist in determining the cost to repair a damaged automobile ("Estimating Software Providers"). The estimate includes necessary parts and the required labor time. The estimating software can include a function that reveals the availability and price of salvage parts for use in the auto repair. The Estimating Software Providers acquire the salvage yard inventory data from databases that collect the data from the salvage yards' yard management systems. This salvage yard inventory data information is provided in electronic form to the Estimating Software Providers.

30. ADP provides data on available salvage parts through its Parts Exchange Salvage ("PXS") service. PXS is utilized by insurance

companies that use ADP's estimate-preparing software. Prior to the Acquisition, AutoInfo -- under a contract with the Automotive Recyclers Association -- collected and provided salvage part inventory data to Estimating Software Providers through the ARA International Database. Since the Acquisition, ADP has collected salvage part data for the ARA International Database for use by Estimating Software Providers who compete against ADP.

GEOGRAPHIC MARKET

31. The relevant geographic area in which to assess the effects of the Acquisition is the United States or, alternatively, the United States and Canada.

MARKET STRUCTURE

32. Each of the markets for the relevant products is highly concentrated. ADP is the only supplier of an interchange, the only provider of salvage yard information systems, the dominant provider of yard management systems, with a market share of at least 80%, and the only provider of electronic communications systems that enable parts locating through a central database of parts.

33. ADP's acquisition of AutoInfo assets was part of a plan to acquire the leading information service providers to the salvage industry and thereby acquire market power. By 1992, ADP had formulated a plan of sequential acquisitions of Hollander, Inc. ("Hollander"), a provider of salvage yard information services with the largest customer base, and AutoInfo, which had the second largest customer base. ADP acquired Hollander in 1992. Acquiring both companies in sequence was a part of ADP's strategy to control the computerized salvage yards in the industry and the suppliers of the computerized systems.

34. ADP's principal and only significant competitor in the relevant product markets prior to the Acquisition was AutoInfo. AutoInfo produced the only other interchange used by salvage yards and the only other yard management system with an integrated electronic interchange. AutoInfo also produced the only other electronic communications network that enables parts locating through a central database. AutoInfo was the only other firm that provided a comparable integrated information system. Prior to the Acquisition, AutoInfo was also the only competitor to ADP in providing a comprehensive database of salvage parts collected

electronically from yard management systems and electronic networks.

35. There are three other extremely small yard management system suppliers, each of which is dependent upon a restrictive license from ADP for use of the Hollander Interchange.

36. Prior to the Acquisition, ADP and AutoInfo were vigorous, head-to-head competitors in the relevant product markets.

37. The closeness of competition between ADP and AutoInfo was also reflected in innovation competition. ADP and AutoInfo competed vigorously to provide communications capabilities to complement their respective yard management systems. ADP responded to AutoInfo's ORION network, originally capable only of transmitting text-messages, by developing the EDEN electronic network, which allowed direct connection between the HYMS yard management system and a centralized parts inventory database. AutoInfo's response to EDEN, as a competitive challenge to ORION, was to improve ORION by augmenting it with a system similar to EDEN for use by customers of the AutoInfo yard management system.

38. After the Acquisition, ADP now owns the principal and, in some cases, the only products in the relevant markets.

ENTRY CONDITIONS

39. Entry into the relevant product markets would not be timely, likely, or sufficient in its magnitude, character, and scope to deter or counteract anticompetitive effects of the Acquisition. ADP's interchange is protected by copyright and is based on a database that took many years to develop and would be difficult and time-consuming to attempt to reproduce. The interchange is also the key input into yard management systems and electronic communication systems and without entry into the interchange market, it is also unlikely that timely or sufficient entry will occur into these other product markets. It is also unlikely that timely or sufficient entry will occur in the collection and dissemination of salvage yard inventory data largely because of the time, expense and difficulty in collecting that salvage yard inventory data independently of ADP and because ADP is the gatekeeper of the salvage yard inventory data through its control of the interchange, integrated yard management systems, electronic communications systems and salvage yard information systems.

40. Entry into the market for yard management systems and electronic communications networks or, alternatively, into the salvage yard information systems market is also difficult, time-consuming, and unlikely because of the large number of customers ADP currently has using these products and services. Yard management systems and electronic communication systems are used to create a network for buying and selling used parts, and salvage yards are reluctant to rely upon a new entrant without a significant number of other salvage yard customers participating in the network.

ANTICOMPETITIVE EFFECTS OF THE ACQUISITION

41. The Acquisition substantially lessened or may substantially lessen competition in the following ways, among others:

a. It has eliminated AutoInfo as a substantial independent competitor;

b. It has eliminated actual, direct and substantial competition between ADP and AutoInfo;

c. It has increased the level of concentration in the relevant product markets;

d. It has led or may lead to increases in price for the relevant products;

e. It has led or may lead to the reduction in maintenance and service for the relevant products;

f. It has led or may lead to reductions in technological improvement or innovations in the relevant products;

g. It has increased barriers to entry into the relevant markets;

h. It has inconvenienced and caused financial harm to users of AutoInfo's interchange, yard management system, electronic communication system and information system through failure to provide upgrades altogether or to provide upgrades in a timely fashion;

i. It has given ADP market power in the relevant product markets;

j. It has allowed or may allow ADP unilaterally to exercise market power in the relevant product markets, by increasing prices for yard management systems, electronic communications and information systems and by reducing service and innovation competition;

k. It has given ADP monopoly power or a dangerous probability of success in obtaining monopoly power in the relevant product markets.

VIOLATIONS ALLEGED

COUNT I -- ILLEGAL ACQUISITION

42. The allegations contained in paragraphs one through forty-one are repeated and realleged as though fully set forth here.

43. The effect of the Acquisition may be substantially to lessen competition or tend to create a monopoly in violation of Section 7 of the Clayton Act, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45.

COUNT II -- ILLEGAL ACQUISITION AGREEMENT

44. The allegations contained in paragraphs one through forty-one are repeated and realleged as though fully set forth here.

45. ADP, through the acquisition agreements described in paragraph three, has engaged in unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45.

COUNT III -- ATTEMPT TO MONOPOLIZE

46. The allegations contained in paragraphs one through forty-one are repeated and realleged as though fully set forth here.

47. Through the acquisition of Hollander and the acquisition of AutoInfo assets, ADP has engaged in unfair methods of competition in or affecting commerce by attempting to monopolize the relevant product markets in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45.

COUNT IV -- MONOPOLIZATION

48. The allegations contained in paragraphs one through forty-one are repeated and realleged as though fully set forth here.

49. Through the acquisition of Hollander and the acquisition of AutoInfo assets, ADP has engaged in unfair methods of competition in or affecting commerce by monopolizing the relevant product markets in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45.

DECISION AND ORDER

The Commission having heretofore issued its complaint charging the respondent named in the caption hereof with violation of Section 5 of the Federal Trade Commission Act, as amended, and Section 7 of the Clayton Act, as amended, and the respondent having been

served with a copy of that complaint, together with a notice of contemplated relief; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, and admission by the respondent of all of the jurisdictional facts set forth in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent 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 Secretary of the Commission having thereafter withdrawn this matter from adjudication in accordance with Section 3.25(b) of its Rules; and

The Commission having considered the matter and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments filed thereafter by interested persons pursuant to Section 3.25(f) of its Rules, now in further conformity with the procedure prescribed in Section 3.25(f) of its Rules, the Commission hereby makes the following jurisdictional findings and enters the following order:

1. Respondent Automatic Data Processing, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and principal place of business located at One ADP Boulevard, Roseland, New Jersey.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of respondent, 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. *"Respondent"* or *"ADP"* means Automatic Data Processing, Inc., its directors, officers, employees, agents and representatives, predecessors, successors and assigns; its subsidiaries, divisions, groups and affiliates controlled by ADP, and the respective directors,

officers, employees, agents, and representatives, successors, and assigns of each.

B. *"Parts Services"* means the Parts Services Division of ADP Claims Solutions Group, Inc., a subsidiary of ADP.

C. *"Commission"* means the Federal Trade Commission.

D. *"Acquisition"* means the April 1, 1995, acquisition by ADP of assets from AutoInfo, Inc., including salvage yard management systems, communications systems and networks, automotive interchange, inventory data collection contracts and other assets.

E. The *"AutoInfo Assets"* means the AutoInfo Interchange, the AutoInfo YMS, the AutoInfo Communication Systems, AutoInfo Parts Locator and the ARA Database Collector, and a non-exclusive, paid-up license to all research and development, by or for Parts Services, since April 1, 1995, through the date of divestiture for any new yard management system or communication system.

F. The *"Hollander Interchange"* means the numeric indexing system developed, maintained and sold or licensed originally by Hollander, Inc. and subsequently by ADP and used to identify automotive parts and assemblies and their ability to be interchanged and includes all updates prepared by or for ADP up to the date of divestiture pursuant to paragraph II or paragraph III of this order, including but not limited to any interchange developed or updated by ADP since the Acquisition from then-existing Hollander Interchange and AutoInfo Interchange data.

G. The *"AutoInfo Interchange"* means the numeric indexing system owned by ADP, but previously developed, maintained and sold by AutoInfo, used to identify automotive parts and assemblies and their ability to be interchanged and includes all updates to the AutoInfo Interchange prepared by or for AutoInfo up to the date of the Acquisition or by or for ADP up to the date of divestiture pursuant to paragraph II or paragraph III of this order, and includes supplier and service contracts, research and development, and other tangible and intangible assets used in the development and maintenance of the AutoInfo Interchange.

H. *"AutoInfo YMS"* means Checkmate, Checkmate Jr., Classic, the BidPad, PartPad, accounting and management modules, and any other salvage yard management systems developed, maintained, sold or licensed by AutoInfo, Inc., and subsequently by ADP, including source codes, application program interfaces, data formats and communication protocols, customer, supplier and service contracts,

goodwill, research and development, and other tangible and intangible assets relating thereto.

I. *"AutoInfo Communication Systems"* means the ORION, ORION/RTS, AutoMatch, AutoXchange, and ORION Exchange communication systems used for the buying and selling of used auto parts and assemblies, including source codes, application program interfaces, data formats and communication protocols, customer, supplier and service contracts, goodwill, research and development and other tangible and intangible assets relating thereto, and respondent's rights and obligations with respect to current and former subscribers to CalQwik.

J. *"ARA"* means the Automotive Recyclers Association.

K. *"ARA Database Agreement"* means the February 27, 1996, "Amended and Restated Agreement Regarding the ARA International Database by and between Automotive Recyclers Association and ADP Claims Solutions Group, Inc." and any addenda thereto.

L. *"ARA Database Collector"* means the rights and obligations to act as the manager and operator of the Automotive Recyclers Association International Database pursuant to the ARA Database Agreement.

M. *"Compass"* means the Compass Communications Network, the group of voice communication, data, and buying networks to the automobile salvage industry formerly owned by AutoInfo, and customer, supplier and service contracts, goodwill, research and development and other tangible and intangible assets used in the development, maintenance, sale or licensing of the Compass communication systems.

N. *"AutoInfo Parts Locator"* means the AutoInfo Parts Locator, a computerized on-line telephone service that is offered to the automobile casualty insurance industry, which uses ORION/RTS, and software that provides access to the ORION/RTS database, customer, supplier and service contracts, customer lists, goodwill, research and development and other tangible and intangible assets used in the development, maintenance, sale or licensing of the AutoInfo Parts Locator.

O. *"HYMS"* means the Hollander Yard Management System, originally developed, maintained and sold or licensed by Hollander, Inc., and subsequently developed, maintained and sold or licensed by ADP.

P. *"EDEN"* means the Electronic Data Exchange Network, a communications and database inventory-search system used by

salvage yards for the buying and selling of used automobile parts and assemblies.

Q. *"Trustee Assets"* means the AutoInfo Assets and Compass.

R. *"Acquirer"* means the acquirer or acquirers of the AutoInfo Assets pursuant to paragraph II or the Trustee Assets pursuant to paragraph III of this order.

II.

A. Respondent shall divest, absolutely and in good faith, (1) within one hundred fifty (150) days after the date the agreement containing consent order is accepted for public comment by the Commission, or (2) within sixty (60) days after the date on which this order becomes final, whichever date is later, the AutoInfo Assets as an on-going business to the Acquirer at the time of divestiture. Respondent shall divest the AutoInfo Assets only to an acquirer or acquirers that receive the prior approval of the Commission and only in a manner that receives the prior approval of the Commission. The purpose of the divestiture of the AutoInfo Assets is to maintain the AutoInfo Assets as on-going businesses, to continue use of the AutoInfo Assets in the same businesses in which the AutoInfo Assets were engaged at the time of the Acquisition in competition with ADP, and to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission's complaint.

Provided, however, respondent may, in lieu of divesting its rights as the ARA Database Collector to an Acquirer pursuant to this paragraph II.A and in satisfaction of its obligations to divest its rights as the ARA Database Collector under this paragraph II.A, terminate in accordance with all of the provisions specified in the ARA Database Agreement its role as the ARA Database Collector.

Provided, however, respondent shall grant to any entity that becomes the ARA Database Collector, if such entity is not the Acquirer, a royalty-free license to the Hollander Interchange to use solely for purposes of collecting and transmitting data and managing and operating a database for the ARA pursuant to a data collection agreement with the ARA.

Provided, however, respondent may retain a non-exclusive, paid-up license to the AutoInfo Interchange as of the date of the divestiture, excluding supplier and service contracts, research and development, and other tangible and intangible assets used in the development and maintenance of the AutoInfo Interchange.

B. Pending divestiture of the AutoInfo Assets, respondent shall take such actions as are necessary to maintain the viability, competitiveness and marketability of the AutoInfo Assets and the Trustee Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the AutoInfo Assets and the Trustee Assets except for ordinary wear and tear.

C. Respondent shall comply with the terms of the Asset Maintenance Agreement, which is attached hereto and incorporated herein.

III.

It is further ordered, That:

A. If respondent has not divested the AutoInfo Assets pursuant to and within the time required by paragraph II.A, the Commission may appoint a trustee to divest the Trustee Assets. The trustee shall have all rights and powers necessary to permit the trustee to effect the divestiture of the Trustee Assets in order to assure the viability, competitiveness, and marketability of the Trustee Assets and to accomplish the remedial purposes of this order. In the event that the Commission or the Attorney General brings an action pursuant to Section 5(l) of the Federal Trade Commission Act, 15 U.S.C. 45(l), or any other statute enforced by the Commission, respondent shall consent to the appointment of a trustee in such action. Neither the appointment of a trustee nor a decision not to appoint a trustee under this paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed trustee, pursuant to Section 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by the respondent to comply with this order.

Provided, however, the trustee may, at his or her option and in satisfaction of his or her obligations under this paragraph III.A, require ADP to terminate its role as the ARA Database Collector pursuant to the ARA Database Agreement.

Provided, however, respondent shall grant to any entity that becomes the ARA Database Collector, if such entity is not the Acquirer, a royalty-free license to the Hollander Interchange to use solely for purposes of collecting and transmitting data and managing and operating a database for the ARA pursuant to a data collection agreement with the ARA.

Provided, however, respondent may retain a non-exclusive, paid-up license to the AutoInfo Interchange as of the date of the divestiture, excluding supplier and service contracts, research and development, and other tangible and intangible assets used in the development and maintenance of the AutoInfo Interchange.

B. If a trustee is appointed by the Commission or a court pursuant to this order, respondent shall consent to the following terms and conditions regarding the trustee's powers, duties, authority, and responsibilities:

1. The Commission shall select the trustee, subject to the consent of respondent, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If respondent has not opposed, in writing, including the reasons for opposing, the selection of any proposed trustee within ten (10) days after written notice by the staff of the Commission to respondent of the identity of any proposed trustee, respondent shall be deemed to have consented to the selection of the proposed trustee.

2. Subject to the prior approval of the Commission, the trustee shall have the exclusive power and authority to divest the Trustee Assets.

3. Within ten (10) days after appointment of the trustee, respondent shall execute a trust agreement that, subject to the prior approval of the Commission and, in the case of a court-appointed trustee, of the court, transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestiture required by this order.

4. The trustee shall have twelve (12) months from the date the Commission approves the trust agreement described in paragraph III.B.3 to accomplish the divestiture, which shall be subject to the prior approval of the Commission. If, however, at the end of the twelve-month period, the trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Commission, or, in the case of a court-appointed trustee, by the court; provided, however, the Commission may extend this period only two (2) times.

5. The trustee shall have full and complete access to the personnel, books, records and facilities related to the Trustee Assets and to any other relevant information, as the trustee may request. Respondent shall develop such financial or other information as such trustee may reasonably request and shall cooperate with the trustee.

Respondent shall take no action to interfere with or impede the trustee's accomplishment of the divestitures. Any delays in divestiture caused by respondent shall extend the time for divestiture under this paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed trustee, by the court.

6. The trustee shall use his or her best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to respondent's absolute and unconditional obligation to divest at no minimum price. The divestiture shall be made in the manner and to the acquirer or acquirers as set out in paragraph II of this order; provided, however, if the trustee receives *bona fide* offers from more than one acquiring entity, and if the Commission determines to approve more than one such acquiring entity, the trustee shall divest to the acquiring entity or entities selected by respondent from among those approved by the Commission.

7. The trustee shall serve, without bond or other security, at the cost and expense of respondent, on such reasonable and customary terms and conditions as the Commission or a court may set. The trustee shall have the authority to employ, at the cost and expense of respondent, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the trustee's duties and responsibilities. The trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission and, in the case of a court-appointed trustee, by the court, of the account of the trustee, including fees for his or her services, all remaining monies shall be paid at the direction of the respondent, and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent on the trustee's divesting the Trustee Assets.

8. Respondent shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trustee'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 liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.

9. If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in paragraph III.A of this order.

10. The Commission or, in the case of a court-appointed trustee, the court, may on its own initiative or at the request of the trustee issue such additional orders or directions as may be necessary or appropriate to accomplish the divestiture required by this order.

11. In the event that the trustee determines that he or she is unable to divest the Trustee Assets in a manner consistent with the Commission's purpose in paragraph II, the trustee may divest additional ancillary assets of respondent related to the Trustee Assets and effect such arrangements as are necessary to satisfy the requirements of the order.

12. The trustee shall have no obligation or authority to operate or maintain the Trustee Assets.

13. The trustee shall report in writing to respondent and the Commission every thirty (30) days concerning the trustee's efforts to accomplish divestiture.

IV.

It is further ordered, That respondent shall:

1. Grant to the Acquirer, at the time of the divestiture, a paid-up, perpetual, non-exclusive license, with no continuing royalties and with unlimited rights to sub-license, to the Hollander Interchange and to each update of the Hollander Interchange, including but not limited to α (alpha) and β (beta) releases of any updates, prepared by or for respondent for a period of three (3) years starting at the date of divestiture, or for such longer period and on such terms as may be agreed by the Acquirer and respondent, and the right to use the name "Hollander Interchange" in reference to the Hollander Interchange and updates prepared by or for the respondent pursuant to this paragraph IV.A. Respondent shall provide such updates to the Acquirer no later than when it first provides each such update to its salvage yard customers; and

2. Provide to the Acquirer, at the time of the divestiture, a copy of, and non-exclusive license to, all computer programs and databases, and a list of and sources for all information, used by respondent to update the Hollander Interchange.

Provided, however, respondent may include in the license entered pursuant to this paragraph IV a provision preventing or limiting the Acquirer from reproducing and selling the copyright protected format of respondent's printed, book form of the Hollander Interchange, but respondent shall not otherwise restrict the Acquirer from producing and selling the Hollander Interchange in any form, including in printed, book form.

V.

It is further ordered, That respondent shall, for a period of twelve (12) months from the date of the divestiture pursuant to paragraph II or paragraph III of this order, allow, without penalty, any customer who entered into a contract for HYMS or EDEN between April 1, 1995 and the date of divestiture, to switch from HYMS to an AutoInfo YMS or any yard management system licensed or sold by the Acquirer and/or switch from EDEN to the AutoInfo Communication Systems or to any communications systems licensed or sold by the Acquirer.

VI.

It is further ordered, That:

A. Respondent shall not prevent, prohibit or restrict or threaten to prevent, prohibit or restrict any person who was employed by respondent in Parts Services, or formerly by AutoInfo, Inc., at any time since January 1, 1995, from working for the Acquirer and shall cooperate with the Acquirer in effecting transfer to the Acquirer of any such employee who chooses to transfer to the Acquirer. Respondent shall not offer any incentive to any such employees to decline employment with the Acquirer or to accept other employment by ADP; and shall remove any non-compete or confidentiality restrictions with respect to employment of such employees by the Acquirer. Respondent shall pay, for the benefit of such employees transferring to the Acquirer, accrued bonuses, vested pensions and other accrued benefits.

Provided, however, respondent may match or exceed the Acquirer's terms for employment offered by the Acquirer to respondent's employees who were not employees of AutoInfo, Inc., as of January 1, 1995.

Provided, however, nothing in this paragraph shall restrict respondent from protecting or asserting respondent's attorney client or work product privileges.

B. For a period of twelve (12) months following the date of divestiture pursuant to paragraph II or paragraph III, upon reasonable notice from the Acquirer, respondent shall provide, at reasonable times and levels, such personnel, information, technical assistance, advice and training to the Acquirer as are necessary to transfer the AutoInfo Assets or the Trustee Assets, as applicable, and to facilitate the Acquirer in developing, maintaining and conducting the AutoInfo Assets as viable, on-going businesses. Such assistance shall include reasonable consultation with knowledgeable employees of ADP to satisfy the Acquirer's management that its personnel are appropriately trained to the extent ADP has the ability to do so after the divestiture is complete. Respondent shall not charge the Acquirer a rate more than its own direct cost for providing such assistance.

C. No later than the date of the execution of a divestiture agreement between respondent and the proposed Acquirer, respondent shall provide the proposed Acquirer with a complete list of all non-clerical employees of ADP who have been involved in the development, production, distribution, or sale of the Hollander Interchange, and of the AutoInfo Assets or of the Trustee Assets at any time during the period from January 1, 1994, until the date of the divestiture agreement. Such list shall state each such individual's name, position, address and telephone number. If the person is no longer employed by respondent, respondent shall provide all such information as it has available.

D. Respondent shall make available to any person, on whose behalf respondent has filed an application to divest, for inspection, the personnel files and other documentation relating to the individuals identified in paragraph VI.C of this order to the extent permissible under applicable laws and with the permission of such individuals. For a period of six (6) months following the divestiture, respondent shall further provide the Acquirer with an opportunity to interview such individuals identified in paragraph VI.C of this order and negotiate employment with any of them.

E. For a period of one (1) year commencing on the date of any individual's employment by the Acquirer pursuant to this paragraph VI, respondent shall not offer employment to such individual, unless such individual is no longer employed by the Acquirer.

VII.

It is further ordered, That, for a period of ten (10) years following the date of divestiture, respondent shall not prohibit, prevent or restrict, or threaten to prohibit, prevent, restrict or enforce any contractual arrangements that have the effect of prohibiting, preventing, or restricting any customer or licensee of the Hollander Interchange from accessing, connecting with, or communicating data through, the products of the Acquirer or its licensees, or the ARA Data Collector, including but not limited to the AutoInfo Communication Systems or any communication system licensed or sold by the Acquirer or its licensees, the AutoInfo YMS or any yard management systems licensed or sold by the Acquirer or its licensees, or data collection systems provided by the Acquirer or its licensees. Respondent shall provide to the Acquirer, for use by Acquirer and its licensees, specifications and information reasonably necessary for the Acquirer and its licensees to create interfaces with respondent's yard management and communications systems and a paid-up, perpetual, non-exclusive license to the Acquirer and its licensees to use the Hollander Interchange and future updates of the Hollander Interchange in connection with collecting or searching inventory data.

Provided, however, nothing in this paragraph VII shall require respondent to extend to the Acquirer or its licensees rights to sell or distribute updates of the Hollander Interchange other than the rights specified in paragraphs II or IV.A of this order.

Provided, however, nothing in this paragraph VII shall require respondent to create or modify application program interfaces or to alter respondent's existing products.

Provided, however, nothing in this paragraph VII shall prohibit the respondent from restricting transmission of Hollander Interchange numbers to persons other than the Acquirer or its licensees.

Provided, however, nothing in this paragraph VII shall require respondent to repair any customer's HYMS or EDEN product in the event such product's functionality is damaged by the use of any product of the Acquirer or its licensees.

VIII.

It is further ordered, That:

A. For a period of ten (10) years from the date of the divestiture of the AutoInfo Assets or the Trustee Assets, respondent shall not, without the prior approval of the Commission, directly or indirectly, through subsidiaries, partnerships, or otherwise, acquire all or any part of the AutoInfo Assets, if divested pursuant to paragraph II, or Trustee Assets, if divested pursuant to paragraph III; and

B. For a period of ten (10) years from the date this order becomes final, respondent shall not, without prior notification to the Commission, directly or indirectly:

1. Acquire any stock, share capital, equity, or other interest in any concern, corporate or non-corporate, engaged in the development or sale of yard management systems or communications systems used by automobile salvage yards within the year preceding such acquisition; provided, however, that an acquisition of such stock, share capital, equity or other interest will be exempt from the requirements of this paragraph if it is solely for the purpose of investment and respondent will hold no more than five (5) percent of the shares of any class of security; or

2. Acquire any assets used or previously used (and still suitable for use) in the development or sale of yard management systems or communications systems used by automobile salvage yards provided, however, that such an acquisition will be exempt from the requirements of this paragraph if the purchase price is less than $1,500,000 (one million five hundred thousand dollars).

The prior notifications required by this paragraph shall be given on the Notification and Report Form set forth in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations as amended (hereinafter referred to as "the Notification"), and shall be prepared, transmitted and kept confidential in accordance with the requirements of that part, except that: no filing fee will be required for any such notification; notification shall be filed with the Secretary of the Commission and a copy shall be delivered to the Bureau of Competition; notification need not be made to the United States Department of Justice; and notification is required only of respondent and not of any other party to the transaction. Respondent shall provide the Notification to the Commission at least thirty (30) days

prior to the consummation of any such transaction (hereinafter referred to as the "initial waiting period"). If, within the initial waiting period, the Commission or its staff makes a written request for additional information and documentary material, respondent shall not consummate the transaction until at least twenty (20) days after complying with such request for additional information and documentary material. Early termination of the waiting periods in this paragraph may, where appropriate, be granted by letter from the Bureau of Competition. Notwithstanding, prior notification shall not be required by this paragraph for a transaction for which notification is required to be made, and has been made, pursuant to Section 7A of the Clayton Act, 15 U.S.C. 18a.

Provided, however, that this paragraph VIII shall not apply to the acquisition of products or services in the ordinary course of business.

IX.

It is further ordered, That:

A. Within thirty (30) days after the date this order becomes final and every thirty (30) days thereafter until respondent has fully complied with the provisions of paragraphs II or III of this order, respondent shall submit to the Commission a verified written report setting forth in detail the manner and form in which it intends to comply, is complying, and has complied with paragraphs II and III of this order. Respondent shall include in its compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with paragraphs II and III of the order, including a description of all substantive contacts or negotiations for the divestiture and the identity of all parties contacted. Respondent shall include in its compliance reports copies of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning divestiture.

B. One year (1) from the date of the divestiture of the AutoInfo Assets pursuant to paragraph II or the Trustee Assets pursuant to paragraph III, and annually thereafter until the obligations of paragraph VIII have expired, and at other times as the Commission may require, respondent shall file a verified written report with the Commission setting forth in detail the manner and form in which it has complied and is complying with paragraphs IV, V, VI, VII and VIII of this order.

X.

It is further ordered, That respondent shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate structure or status of respondent 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 the order.

XI.

It is further ordered, That, for the purpose of determining or securing compliance with this order, respondent shall permit any duly authorized representative of the Commission:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of respondent relating to any matters contained in this order; and

B. Upon five days' notice to respondent and without restraint or interference from it, to interview officers, directors, or employees of respondent.

XII.

It is further ordered, That this order shall terminate on October 20, 2017.

APPENDIX I

ASSET MAINTENANCE AGREEMENT

This Asset Maintenance Agreement is by and between Automatic Data Processing, Inc. ("ADF"), a corporation organized and existing under the laws of the State of Delaware, and the Federal Trade Commission, an independent agency of the United States Government, established under the Federal Trade Commission Act of 1914, 15 U.S.C. 41, *et seq.* ("Commission").

PREMISES

Whereas, ADP acquired certain assets of AutoInfo, Inc. on April 1, 1995 (the "Acquisition");

Whereas, ADP has been served with a copy of the complaint issued by the Federal Trade Commission charging it with violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, and Section 7 of the Clayton Act, as amended, 15 U.S. C. 18, and has filed an answer to said complaint denying said charges;

Whereas, if the Commission accepts the Agreement Containing Consent Order ("consent agreement") in this matter, the Commission will place it on the public record for a period of at least sixty (60) days and subsequently may either withdraw such acceptance of the consent agreement and so notify ADP, in which event the Commission will take such action as it may consider appropriate, or issue and serve its decision containing the order in the consent agreement, in disposition of the proceeding;

Whereas, the Commission is concerned that if an understanding is not reached during the period to the final issuance of the consent agreement by the Commission (after the 60-day public notice period), there may be interim competitive harm relating to the assets and businesses proposed for divestiture;

Whereas, ADP understands that no act or transaction contemplated by this Asset Maintenance Agreement shall be deemed immune or exempt from the provisions of the antitrust laws or the Federal Trade Commission Act by reason of anything contained in this Asset Maintenance Agreement.

Now, therefore, ADP agrees, upon the understanding that the Commission has issued an administrative complaint, and in consideration of the Commission's agreement that, from the time it accepts the consent agreement for public comment and pending either the order becoming final or the Commission withdrawing its acceptance of the consent agreement, it will not return this matter to administrative adjudication, as follows:

1. ADP agrees to execute the consent agreement and, pending divestiture of either the AutoInfo Assets or the Trustee Assets, as those terms are defined in the consent agreement, pursuant to paragraph II or paragraph III of the consent agreement, ADP shall take such actions as are necessary to maintain the viability, competitiveness and marketability of the AutoInfo and the Trustee Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the AutoInfo or Trustee Assets except for ordinary wear and tear.

2. ADP agrees that, from the date ADP signs the consent agreement until the first of the dates listed in subparagraphs 2.a and 2.b, it will comply with the provisions of this Asset Maintenance Agreement:

a. Ten (10) business days after the Commission withdraws its acceptance of the consent agreement pursuant to the provisions of Section 3.25(f) of the Commission's Rules; or
b. The date the order is final.

3. ADP waives all rights to contest the validity of this Asset Maintenance Agreement.
4. For the purpose of determining or securing compliance with this Asset Maintenance Agreement, subject to any legally recognized privilege, and upon written request, and on reasonable notice, ADP shall permit any duly authorized representative or representatives of the Commission:

a. Access, during office hours of ADP and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of ADP relating to compliance with this Asset Maintenance Agreement; and
b. Upon five days' notice to ADP and without restraint or interference from it, to interview officers, directors, or employees of ADP who may have counsel present, regarding any such matters.

5. This Asset Maintenance Agreement shall not be binding until accepted by the Commission.