

Rival Manufacturers Reach \$5 Million Settlement with DOJ for Illegal Premerger Coordination

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Flakeboard America Limited ("Flakeboard") and SierraPine will pay a \$3.8 million penalty and disgorge \$1.15 million in profits to settle charges that they engaged in improper coordination of business decisions and "gun-jumping" prior to obtaining antitrust approval of their planned merger in violation of the Hart-Scott-Rodino Act and Section 1 of the Sherman Act. The two particleboard manufacturers coordinated the closure of a mill and transfer of its customers during the pendency of regulatory review and subsequently abandoned the proposed merger in the face of antitrust concerns, according to a complaint filed by the Antitrust Division of the Department of Justice ("DOJ").