

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,  
c/o Department of Justice  
Antitrust Division  
Washington, D. C. 20530,  
Plaintiff,

v.

DONALD J. TRUMP,  
725 Fifth Avenue  
New York, New York 10022,  
Defendant.

Civil Action No. 89-0929  
PRATT, J. APR 05 1990

COMPLAINT FOR CIVIL PENALTIES FOR VIOLATION OF PREMERGER  
REPORTING REQUIREMENTS OF HART-SCOTT-RODINO ACT

The United States of America, plaintiff, by its attorneys,  
acting under the direction of the Attorney General of the  
United States and at the request of the Federal Trade  
Commission, brings this civil action to obtain monetary relief  
in the form of a civil penalty against the defendant named  
herein, and alleges as follows:

JURISDICTION AND VENUE

1. This Complaint is filed and these proceedings are  
instituted under Section 7A of the Clayton Act, 15 U.S.C.  
§ 18a, commonly known as the Hart-Scott-Rodino Antitrust  
Improvements Act of 1976 ("Hart-Scott-Rodino Act"), to recover  
civil penalties for violations of the Hart-Scott-Rodino Act.

2. This Court has jurisdiction over this action pursuant to 15 U.S.C. § 18a(g), and 28 U.S.C. §§ 1331, 1337, 1345 and 1355.

3. Venue in this District is proper by virtue of defendant's consent, in the Stipulation relating hereto, to the maintenance of this action and the entry of Final Judgment in this District. Venue is also proper under 28 U.S.C. § 1395(a)

#### THE DEFENDANT

4. Donald J. Trump ("Trump") is a citizen of the State of New York and resides in New York City. His business address is 725 Fifth Avenue, New York, New York 10022.

#### HOLIDAY CORPORATION

5. Holiday Corporation ("Holiday") is a Delaware corporation with its principal offices at 1023 Cherry Road, Memphis, Tennessee 38117.

#### BALLY MANUFACTURING CORPORATION

6. Bally Manufacturing Corporation ("Bally") is a Delaware corporation with its principal offices at 8700 West Bryn Mawr Avenue, Chicago, Illinois 60631.

THE HART-SCOTT-RODINO ACT

7. The Hart-Scott-Rodino Act, 15 U.S.C. § 18a, prohibits certain acquisitions of voting securities or assets until a notification has been filed with the Department of Justice and the Federal Trade Commission and a waiting period has expired.

VIOLATIONS ALLEGED

COUNT 1

8. The allegations contained in Paragraphs 1 through 5 and in Paragraph 7 are repeated and realleged as though fully set forth here.

9. Holiday and defendant Trump at all times pertinent to this proceeding have been engaged in commerce, or in activities affecting commerce, within the meaning of Section 1 of the Clayton Act, 15 U.S.C. § 12.

10. Holiday and Trump at all times pertinent to this proceeding had assets above the threshold established by Section (1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(a). Holiday had total assets in excess of \$100 million, and Trump had total assets in excess of \$10 million.

11. During the period from August 7, 1986 through August 19, 1986, Trump acquired voting securities of Holiday.

12. On August 22, 1986, Bear, Stearns & Co. ("Bear, Stearns"), acting as the agent of Trump, began making purchases of shares of Holiday stock on behalf of Trump.

13. As a result of the transaction described in Paragraph 12, Trump held an aggregate total amount of voting securities of Holiday in excess of \$15 million.

14. Trump through his agent Bear, Stearns continued to acquire additional voting securities of Holiday during the period from August 22, 1986 through October 17, 1986.

15. The transaction described in Paragraph 12, by which Trump acquired an aggregate total amount of voting securities of Holiday in excess of \$15 million, and the transactions described in Paragraph 14 were subject to the notification and waiting period requirements of the Hart-Scott-Rodino Act and the regulations promulgated thereunder, 16 C.F.R. § 800 et seq. The Hart-Scott-Rodino Act and regulations required Trump to file the notification and to observe a waiting period before acquiring an aggregate total amount of voting securities of Holiday in excess of \$15 million.

16. Defendant Trump did not comply with the reporting and waiting period requirements of the Act before making the acquisitions described in Paragraphs 12 and 14 above.

17. On October 10, 1986, Trump submitted a notification and report form under the Hart-Scott-Rodino Act, stating an intention to acquire up to 25% of the voting securities of Holiday. The Hart-Scott-Rodino Act waiting period relating to that filing expired on November 9, 1986.

18. Defendant Trump was continuously in violation of the Hart-Scott-Rodino Act during the period from August 22, 1986 through November 9, 1986 (80 days).

19. Section (g)(1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(g)(1), provides that any person, or any officer, director, or partner thereof, who fails to comply with the Act shall be liable to the United States for a civil penalty of not more than \$10,000 for each day during which such person is in violation of the Act.

#### COUNT 2

20. The allegations contained in Paragraphs 1 through 4 and in Paragraphs 6 and 7 are repeated and realleged as though fully set forth here.

21. Bally and defendant Trump at all times pertinent to this proceeding have been engaged in commerce, or in activities affecting commerce, within the meaning of Section 1 of the Clayton Act, 15 U.S.C. § 12.

22. Bally and Trump at all times pertinent to this proceeding had assets above the threshold established by Section (1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(a). Bally had total assets in excess of \$100 million, and Trump had total assets in excess of \$10 million.

23. On November 13, 1986, Trump acquired voting securities of Bally.

24. On November 13, 1986, Bear, Stearns & Co. ("Bear, Stearns"), acting as the agent of Trump, began making purchases of shares of Bally stock on behalf of Trump.

25. As a result of the transaction described in Paragraph 24, Trump held an aggregate total amount of voting securities of Bally in excess of \$15 million.

26. Trump through his agent Bear, Stearns continued to acquire additional voting securities of Bally during the period from November 13, 1986 through December 1, 1986.

27. The transaction described in Paragraph 24, by which the defendant acquired an aggregate total amount of voting securities of Bally in excess of \$15 million, and the transactions described in Paragraph 26 were subject to the notification and waiting period requirements of the Hart-Scott-Rodino Act and the regulations promulgated thereunder, 16 C.F.R. § 800 et seq. The Hart-Scott-Rodino Act and regulations required Trump to file the notification and to

observe a waiting period before acquiring an aggregate total amount of voting securities of Bally in excess of \$15 million.

28. Defendant Trump did not comply with the reporting and waiting period requirements of the Act before making the acquisitions described in Paragraphs 24 and 26 above.

29. On November 26, 1986, Trump submitted a notification and report form under the Hart-Scott-Rodino Act, stating an intention to acquire at least 25% of the voting securities of Bally. On December 24, 1986, the Department of Justice required Trump to submit additional information and documentary material relevant to his proposed acquisition of Bally stock, pursuant to Section (e)(1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(e)(1). This request for additional information and documentary material extended the waiting period, pursuant to Section (e)(2) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18(a)(e)(2). At Trump's request, on January 22, 1987, the Department of Justice and the Federal Trade Commission terminated the waiting period pursuant to Section (b)(2) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18(a)(b)(2).

30. Defendant Trump was continuously in violation of the Hart-Scott-Rodino Act during the period from November 13, 1986 through January 22, 1987 (69 days).

31. Section (g)(1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(g)(1), provides that any person, or any officer, director, or partner thereof, who fails to comply with the Act shall be liable to the United States for a civil penalty of not more than \$10,000 for each day during which such person is in violation of the Act.

PRAYER

WHEREFORE, plaintiff prays:

1. That the Court adjudge and decree that, with respect to the Holiday transactions described in Count 1, defendant was in violation of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a, each day of the period from August 22, 1986 through November 9, 1986;

2. That the Court adjudge and decree that, with respect to the Bally transactions described in Count 2, defendant was in violation of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a, each day of the period from November 13, 1986 through January 22, 1987;


3. That the defendant be ordered to pay to the United States an appropriate civil penalty as provided by Section (g)(1) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(g)(1) for his violations of the Hart-Scott-Rodino Act with respect to the transactions in Holiday and Bally stock described in Count 1 and Count 2;

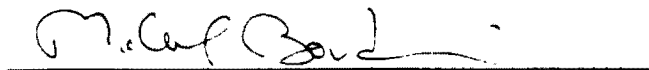


4. That the plaintiff have such other and further relief as the Court may deem just and proper; and

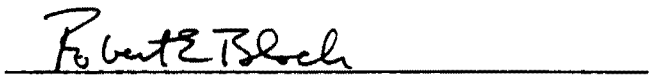
5. That the Court award plaintiff its costs of this suit.

DATED: APRIL 5, 1988


  
\_\_\_\_\_  
Charles F. Rule  
Assistant Attorney General

  
\_\_\_\_\_  
Michael Boudin  
Deputy Assistant Attorney General

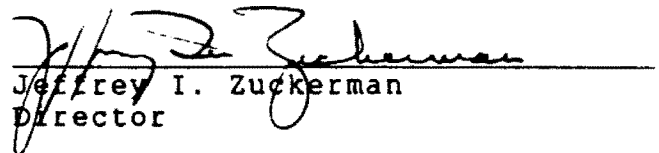
  
\_\_\_\_\_  
John W. Clark

  
\_\_\_\_\_  
Robert E. Bloch  
  
Attorneys  
Department of Justice

Jay B. Stephens, D.C. Bar #177840  
United States Attorney


  
\_\_\_\_\_  
John F. Greaney  
Attorney  
Department of Justice  
Antitrust Division  
555 4th Street, N.W.  
Washington, D.C. 20001  
202/724-8310

FOR THE FEDERAL TRADE COMMISSION:

  
\_\_\_\_\_  
Jeffrey I. Zuckerman  
Director

  
\_\_\_\_\_  
Elliot Feinberg  
Assistant Director

  
\_\_\_\_\_  
Daniel L. Wellington

  
\_\_\_\_\_  
Sondra L. Mills  
  
Attorneys  
Bureau of Competition