

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FEDERAL TRADE COMMISSION,)
)
 Plaintiff,)
 v.) Civ. No.
)
 RHI AG,)
)
 Defendant.)

STIPULATION

The Federal Trade Commission and RHI AG, by their respective attorneys, stipulate that:

1. The facts alleged in paragraphs 1 through 7 of the complaint filed in this matter are true and correct.
2. North American Refractories Company (“NARCO”), while it was an indirect, wholly-owned subsidiary of RHI AG, violated Paragraph II.E. of the final order issued by the Commission in FTC Docket No. C-4005 (“the Order”) by manufacturing BL5G refractory bricks.
3. NARCO, while it was an indirect, wholly-owned subsidiary of RHI AG, violated Paragraph II.E. of the Order by selling BL5G refractory bricks.
4. NARCO, while it was an indirect, wholly-owned subsidiary of RHI AG, violated Section 20 of the Settlement Agreement between NARCO and Resco Products, Inc. (“Resco”) dated October 27, 2000 (“Settlement Agreement”), which is incorporated into the Order, by its delay in retaining an environmental consultant for the refractories plant located in

- Hammond, IN, divested to Resco.
5. NARCO, while it was an indirect, wholly-owned subsidiary of RHI AG, violated Section 20 of the Settlement Agreement, which is incorporated into the Order, by its delay in performing required remediation at the refractories plant located in Hammond, IN, divested to Resco.
 6. NARCO, while it was an indirect, wholly-owned subsidiary of RHI AG, violated Section 20 of the Settlement Agreement, which is incorporated into the Order, by its delay in retaining an environmental consultant for the refractories plant (located in Marelán, Quebec Province, Canada) divested to Resco.
 7. NARCO, while it was an indirect, wholly-owned subsidiary of RHI AG, violated Section 20 of the Settlement Agreement, which is incorporated into the Order, by its delay in performing required remediation at the refractories plant (located in Marelán, Quebec Province, Canada) divested to Resco.
 8. NARCO, while it was an indirect, wholly-owned subsidiary of RHI AG, violated Section 21 of the Settlement Agreement, which is incorporated into the Order, by its delay in commencing reformation or cancellation of the seven intellectual property licenses described in Section 21 of the Settlement Agreement.
 9. NARCO, while it was an indirect, wholly-owned subsidiary of RHI AG, violated Paragraph II.F. of the Order by failing to obtain the prior approval of the Commission before modifying Section 3 of the Settlement Agreement.
 10. NARCO, while it was an indirect, wholly-owned subsidiary of RHI AG, violated Section 3 of the Settlement Agreement, which is incorporated into the Order, by its failure to pay

for shipments of High Alumina Refractory Bricks For Steel Production within 30 days of shipment.

11. NARCO, while it was an indirect, wholly-owned subsidiary of RHI AG, violated Paragraph III of the Order by its delay in paying invoices from the Interim Trustee appointed by the Commission pursuant to Paragraph III of the Order.
12. RHI AG has stipulated to the facts as set out in paragraphs 1 through 11 of this Stipulation for settlement purposes only and without waiving its right to contest or deny those facts, or any other facts alleged in the Complaint in this action, in any other proceeding. Provided, however, RHI AG agrees that this Stipulation and the entry of the Consent Judgment will be binding on RHI AG in any future administrative or judicial proceeding brought by the Federal Trade Commission or by the United States. This additional stipulation, however, is for settlement purposes only, and RHI AG expressly reserves its right to deny the stipulated facts and to litigate fully any action that may be initiated by any party other than: a) the Federal Trade Commission; or, b) by the United States.
13. The parties agree that the Court may file and enter the Consent Judgment in the form attached to this Stipulation, on the Court's own motion or on the motion of any party at any time, and without further notice to any party or other proceedings, provided however that Plaintiff may withdraw its consent at any time before the entry of judgment by serving notice of its withdrawal on RHI AG and filing that notice with the Court.
14. RHI AG acknowledges that its attorney, Eric G. Soller, Esq., Pietragallo Bosick & Gordon, is authorized to accept, and has received service of, the Complaint in this action.

15. In the event that Plaintiff withdraws its consent or if the proposed Consent Judgment is not entered pursuant to this Stipulation, this Stipulation shall become null and void, be of no effect whatever, and the making of this Stipulation shall be without prejudice to any party in this or any proceeding. If Plaintiff withdraws its consent, all admissions contained herein shall be deemed withdrawn and therefore, denied, and RHI AG may prepare, serve, and file an Answer to the Complaint.

Dated: March 24, 2004

FOR THE FEDERAL TRADE
COMMISSION:

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