

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

)	
In the Matter of)	
)	File No. 101-0215
Graco Inc.,)	
a corporation.)	
)	

AGREEMENT CONTAINING CONSENT ORDER

The Federal Trade Commission (“Commission”), having initiated an investigation of the acquisition by Graco Inc. (hereinafter “Proposed Respondent”) of Gusmer Corporation and GlasCraft, Inc., and of certain acts and practices of Proposed Respondent, and it now appearing that Proposed Respondent is willing to enter into this Agreement Containing Consent Order (“Consent Agreement”) to divest certain assets and cease and desist from certain acts and practices, and providing for other relief;

IT IS HEREBY AGREED by and between Proposed Respondent, its duly authorized officer and attorney, and counsel for the Commission that:

1. Proposed Respondent is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Minnesota, with its office and principal place of business located at 88-11th Avenue Northeast, Minneapolis, Minnesota 55413.
2. Proposed Respondent admits all the jurisdictional facts set forth in the draft of Complaint here attached.
3. Proposed Respondent waives:
 - (a) any further procedural steps;
 - (b) the requirement that the Commission’s Decision and Order, attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - (c) all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order entered pursuant to this Consent Agreement; and
 - (d) any claim under the Equal Access to Justice Act.
4. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft

of Complaint here attached, or that the facts as alleged in the draft of Complaint, other than jurisdictional facts, are true.

5. Proposed Respondent shall submit an initial report, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33, within fifteen (15) days of the date on which Proposed Respondent executes this Consent Agreement and every thirty (30) days thereafter until the Decision and Order becomes final. Each such report shall be signed by the Proposed Respondent and shall set forth in detail the manner in which the Proposed Respondent has to date complied or has prepared to comply, is complying, and will comply with the Decision and Order. Such reports will not become part of the public record unless and until the Consent Agreement and Decision and Order are accepted by the Commission for public comment.
6. In each of the reports described in Paragraph 5, the Proposed Respondent shall provide sufficient information and documentation to enable the Commission to determine independently whether the Proposed Respondent is in compliance with this Consent Agreement and how Proposed Respondent intends to comply with the requirements of the Decision and Order. Reports of the Proposed Respondent shall include, but not be limited to, an explanation, in reasonable detail, of how the Proposed Respondent will: (a) determine and identify "similarly-situated Distributors," within the context of Paragraph I.G. of the Decision and Order; and (b) establish annual purchase and inventory levels permitted in Paragraph III.A.6. of the Decision and Order. All reports shall be verified by a notarized signature or sworn statement of a responsible person at the Proposed Respondent specifically authorized to perform this function, or self-verified in the manner set forth in 28 U.S.C. §1746. Section 2.41(a) of the Commission's Rules of Practice requires that an original and two copies of all compliance reports be filed with the Commission. Proposed Respondent shall file an original report and one copy with the Secretary of the Commission, and shall send at least one copy directly to the Bureau of Competition's Compliance Division.
7. The Commission retains the discretion, at the time it accepts this Consent Agreement for public comment, to issue and serve its Complaint corresponding in form and substance with the draft of Complaint, and a Final Decision and Order incorporating the attached Decision and Order.
8. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the draft of Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue or amend its Complaint (in such form as the circumstances may require) and issue and serve its Decision and Order (if it has not already done so), in disposition of the proceeding.

9. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (a) immediately issue and serve its Complaint corresponding in form and substance with the draft of Complaint here attached, (b) immediately issue and serve the attached Decision and Order, and (c) make information public with respect thereto. If the Commission has not immediately issued and served its Complaint and Decision and Order, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondents, thereupon issue its Complaint and its Decision and Order.
10. When final, the Decision and Order shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order shall become final upon service. Delivery of the Complaint and the Decision and Order to Proposed Respondent by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), or by delivery to counsel or to an office within the United States of counsel for Proposed Respondent as identified in this Consent Agreement, shall constitute service. Proposed Respondent waives any right it may have to any other manner of service. Proposed Respondent also waives any right it may otherwise have to service of any Appendices attached to or incorporated by reference into the Decision and Order and that are in the possession of Proposed Respondent, and agrees that it is bound to comply with and will comply with the Decision and Order to the same extent as if it had been served with copies of the Appendices.
11. The Complaint may be used in construing the terms of the Decision and Order, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order.
12. By signing this Consent Agreement, Proposed Respondent represents and warrants that it can accomplish the full relief contemplated by the attached Decision and Order and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are parties to this Consent Agreement and are bound thereby as if they had signed this Consent Agreement and were made parties to this proceeding and to the Decision and Order.
13. Proposed Respondent has read the draft of the Complaint and the Decision and Order. Proposed Respondent understands that once the Decision and Order has been issued, it will be required to file one or more compliance reports showing that it has fully complied with the Decision and Order. Proposed Respondent agrees to comply with the terms of the proposed Decision and Order from the date it signs this Consent Agreement. Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order after it becomes final.

Signed this _____ day of _____, 2013.

GRACO INC.

FEDERAL TRADE COMMISSION

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Graco Inc.

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Division of Anticompetitive Practices

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