information received during the review period.

DWR's certification of the EIR and final decision-making under the CEQA will not occur until at least 30 days after EPA publishes a notice of availability of the Final EIR/EIS. This distribution of the Final EIR/EIS, including the written proposed responses to comments submitted by public agencies, is intended to satisfy the requirement to provide these responses to commenting public agencies at least 10 days prior to certification, consistent with CEQA Guidelines Section 15088(b). In addition, the end of the **Federal Register** notice period is intended by DWR to close the period by which any person may submit to DWR any grounds for noncompliance with CEQA, CA Public Resources Code Section 21177(a).

Public Disclosure

Before including your address, phone number, email address, or other personal identifying information in any correspondence, you should be aware that your entire correspondence—including your personal identifying information—may be made publicly available at any time. While you may ask us in your correspondence to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: December 27, 2016.

Camille Touton,

Acting Principal Deputy Assistant Secretary—Water and Science.

[FR Doc. 2016–31735 Filed 12–29–16; 8:45 am]

BILLING CODE 4332–90–P

DEPARTMENT OF JUSTICE

Antitrust Division

United States v. AMC Entertainment Holdings, Inc., et al.; Proposed Final Judgment and Competitive Impact Statement

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. 16(b)–(h), that a proposed Final Judgment, Hold Separate Stipulation and Order, and Competitive Impact Statement have been filed with the United States District Court for the District of Columbia in *United States of America* v. *AMC Entertainment Holdings, Inc., et al.,* Civil Action No. 1:16–cv–2475. On December 20, 2016, the United States filed a Complaint alleging that the proposed acquisition by AMC Entertainment Holdings, Inc. of Carmike Cinemas, Inc. would violate Section 7 of the Clayton Act, 15 U.S.C. 18. The proposed Final Judgment, filed at the same time as the Complaint, requires AMC to divest certain theatre assets, reduce its equity holdings and relinquish its governance rights in National CineMedia, LLC, and complete screen transfers to the cinema advertising network of Screenvision, LLC.

Copies of the Complaint, proposed Final Judgment, Hold Separate Stipulation and Order, and Competitive Impact Statement are available for inspection on the Antitrust Division's website at *http://www.justice.gov/atr* and at the Office of the Clerk of the United States District Court for the District of Columbia. Copies of these materials may be obtained from the Antitrust Division upon request and payment of the copying fee set by Department of Justice regulations.

Public comment is invited within 60 days of the date of this notice. Such comments, including the name of the submitter, and responses thereto, will be posted on the Antitrust Division's website, filed with the Court, and, under certain circumstances, published in the **Federal Register**.Comments should be directed to Owen M. Kendler, Acting Chief, Litigation III Section, Antitrust Division, Department of Justice, 450 Fifth Street N.W., Suite 4000, Washington, DC 20530 (telephone: 202–305–8376).

Patricia A. Brink,

Director of Civil Enforcement.

United States District Court for the District of Columbia

United States of America, Antitrust Division, 450 Fifth Street NW., Suite 4000, Washington, DC 20530, Plaintiff, v. *AMC Entertainment Holdings, Inc., One AMC Way, 11500 Ash Street, Leawood, KS 64105,* and, *Carmike Cinemas, Inc., 1301 First Avenue, Columbus, GA 31901,* Defendants.

Case No.: 1:16–cv–02475.
Judge: Randolph D. Moss.
Filed: 12/20/2016.

Complaint

The United States of America, acting under the direction of the Attorney General of the United States, brings this civil antitrust action to prevent the proposed acquisition by Defendant AMC Entertainment Holdings, Inc. (''AMC'') of all of the outstanding voting securities of Defendant Carmike Cinemas, Inc. (''Carmike'').

I. Nature of Action

1. AMC is a significant competitor to Carmike in the exhibition of first-run commercial movies in multiple areas around the United States, including the areas in and around Montgomery, Alabama; Destin and Miramar Beach, Florida; Orange Park and Fleming Island, Florida; Cumming, Georgia; Lithonia and Conyers, Georgia; Crestwood and Lansing, Illinois; Normal and Bloomington, Illinois; Pekin, Peoria, and Washington, Illinois; Inver Grove Heights and Oakdale, Minnesota; Coon Rapids and Mounds View, Minnesota; Rockaway and Sparta, New Jersey; Westfield and Cranford, New Jersey; Lawton, Oklahoma; Allentown and Center Valley, Pennsylvania; and Madison and Fitchburg, Wisconsin (collectively, the ''Local Markets''). If AMC acquires Carmike, AMC would obtain direct control of one of its most significant competitors in the Local Markets, likely resulting in higher ticket prices and/or a lower quality viewing experience for moviegoers in these areas.

2. AMC is also a founding member of National CineMedia, LLC (''NCM'')—the nation's largest provider of preshow services to exhibitors—and remains one of NCM's largest investors and exhibitors. Carmike is the largest exhibitor in the network of NCM's main competitor, Screenvision Exhibitions, Inc. (''Screenvision''), and is one of Screenvision's largest investors. NCM and Screenvision are the country's two leading preshow cinema advertising networks and together cover over 80% of movie theatre screens in the United States. If AMC's proposed acquisition of Carmike were to proceed, it would likely weaken competition between NCM and Screenvision because they would have a significant common owner. In addition, the proposed merger would undermine Screenvision's ability to compete for advertisers and exhibitors because, as explained below, Screenvision will no longer be able to rely on Carmike's growth to expand its network. The loss of competition in the markets for preshow services and cinema advertising will likely result in lower preshow services revenues to exhibitors, higher prices to cinema advertisers, and lower quality preshow services and advertising.

3. Accordingly, AMC's proposed acquisition of Carmike likely would substantially lessen competition in each of the Local Markets for the exhibition of first-run, commercial movies and in the markets for the sale of preshow services to exhibitors and the sale of cinema advertising to advertisers in the United States in violation of Section 7 of the Clayton Act, 15 U.S.C. 18, and should be enjoined.

II. Jurisdiction and Venue

4. This action is filed by the United States pursuant to Section 15 of the Clayton Act, as amended, 15 U.S.C. 25, to obtain equitable relief and to prevent a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18.

5. The distribution and theatrical exhibition of first-run, commercial films, the provision of preshow services to thousands of theatres across the United States, and the sale of cinema advertising to advertisers throughout the United States are commercial activities that substantially affect, and are in the flow of, interstate trade and commerce. Defendants' activities in purchasing preshow advertising and other content, equipment, services, and supplies, as well as licensing films for exhibition, substantially affect interstate commerce.

6. The Court has jurisdiction over the subject matter of this action pursuant to 15 U.S.C. 25 and 28 U.S.C. 1331, 1337(a), and 1345.

7. Defendants consent to personal jurisdiction and venue in this district, and AMC operates theatres in this district. This Court has personal jurisdiction over each Defendant, and venue is proper under 15 U.S.C. 22, and 28 U.S.C. 1391(b) and (c).

III. Defendants and the Proposed Acquisition

8. Defendant AMC is a Delaware corporation with its headquarters in Leawood, Kansas. As of September 30, 2016, AMC operated approximately 388 theatres with a total of 5,295 screens located across 31 states and the District of Columbia. AMC reported approximately $1.89 billion in U.S. box office revenues in 2015 and approximately $1.46 billion in U.S. box office revenues for the first nine months of 2016. Measured by number of theatres, screens, and box office revenue, AMC is the second-largest theatre circuit in the United States.

9. Defendant Carmike is a Delaware corporation with its headquarters in Columbus, Georgia. As of September 30, 2016, Carmike operated approximately 271 movie theatres with a total of 2,917 screens located across 41 states. Carmike reported approximately $490.0 million in U.S. box office revenues in 2015, and approximately $370.8 million in U.S. box office revenue for the first nine months of 2016. Measured by number of theatres, screens, and box office revenue, Carmike is the fourth-largest theatre circuit in the United States.

10. On March 3, 2016, AMC and Carmike executed an Agreement and Plan of Merger, under which AMC would acquire all outstanding voting securities of Carmike for approximately $1.2 billion. If the parties consummate the merger, AMC will be the nation's largest theatre exhibitor.

IV. Background

A. Movie Theatres

11. Viewing movies in a theatre is a popular pastime. Over 1.3 billion movie tickets were sold in the United States and Canada in 2015, with total box office revenues reaching approximately $11.1 billion.

12. Companies that operate movie theatres are called ''exhibitors.'' Some exhibitors own a single theatre, whereas others own a circuit of theatres within one or more regions of the United States. AMC and Carmike are two of the largest exhibitors in the United States.

13. Exhibitors set ticket prices for a theatre based on a number of factors, including the age and condition of the theatre, the number and type of amenities the theatre offers (such as the range of snacks, food and beverages offered, the size of its screens and quality of its sound systems, and whether it provides stadium and/or reserved seating), competitive pressures facing the theatre (such as the price of tickets at nearby theatres, the age and condition of those theatres, and the number and types of amenities they offer), and the population demographics and density surrounding the theatre.

B. Preshow Services and Cinema Advertising

14. On almost all movie screens, before the previews and feature film begin, the audience is presented with a preshow—a video program consisting of national, regional, and local advertisements; special content segments (*e.g.,* a ''behind the scenes'' look at a new TV show); and theatre announcements. The preshow is typically twenty to thirty minutes long and is designed to engage moviegoers as they wait for the feature film to start.

15. Cinema advertising networks act as intermediaries between exhibitors and advertisers. For advertisers, the preshow is a unique opportunity to reach an attentive audience using a large screen with the benefit of high-quality video and sound. For exhibitors, the preshow provides a lucrative way to supplement revenue earned through ticket sales and concessions at a time when its movie screens screens are otherwise unused.

16. To obtain preshow services, exhibitors typically enter into long-term, exclusive contracts with the cinema advertising networks. The contracts for the largest few exhibitors, including AMC and Carmike, tend to be longest—approximately 30 years—whereas the contracts for the smaller exhibitors tend to last five to ten years. Under the contracts, the networks commit to marketing the preshow screen time to advertisers and packaging the advertisements and other content into an entertaining video program. Exhibitors agree to display the preshow on their movie screens. The cinema advertising networks retain a negotiated portion of the advertising proceeds for the services they provide, and the exhibitors retain the remaining portion of the advertising proceeds.

17. Cinema advertising networks sell advertising time in preshows to advertisers seeking to market their products on a local, regional, or national basis. Generally, national advertisers seek to purchase cinema advertising from firms that can provide access to a nationwide network of movie screens. Thus, the cinema advertising networks work hard to enter into contracts with exhibitors throughout the country and compete vigorously to woo exhibitors away from each other.

18. NCM and Screenvision are the dominant cinema advertising networks in the United States. They compete head-to-head to win exclusive contracts with exhibitors and to offer advertisers access to their exhibitors' movie audiences. Together, NCM and Screenvision serve over 80% of all movie screens in the country.

19. NCM has a national cinema advertising network that covers about 20,500 of the approximately 40,500 movie screens in the United States. In 2015, NCM earned approximately $447 million in gross advertising revenue.

20. National CineMedia, Inc. is the managing member and owner of 43.6% of NCM. The remaining 56.4% is owned by the three largest exhibitors in the United States: AMC (17.4%), Regal Entertainment Group (''Regal'') (19.8%), and Cinemark Holdings, Inc. (''Cinemark'') (19.2%). Under NCM's governing documents, post-merger, AMC ownership would increase to approximately 26.5%.

21. Regal, Cinemark, and AMC (the so-called ''Founding Members'') exercise a significant degree of control and influence over NCM and account for approximately 83% of its screens. In addition to holding a majority of NCM's equity, they have representatives on NCM's Board of Directors and enjoy substantial governance rights, including approval rights over certain NCM contracts with competing exhibitors. NCM management routinely consults with executives of the Founding

Members in making business decisions. AMC can fill two seats on the NCM board.

22. Screenvision has a national cinema advertising network that covers 14,300 screens in more than 2,300 theatres. Carmike is by far the largest exhibitor in Screenvision's network, and, as of September 30, 2016, owned approximately 19% of Screenvision through SV Holdco, LLC, a holding company that owns and operates Screenvision. Carmike also holds a seat on Screenvision's board of directors and possesses certain governance rights. No other major theatre exhibitor holds significant equity interests in Screenvision. Following the merger, AMC plans to divest or convert Carmike's Screenvision shares such that AMC will hold no more than 10% of Screenvision's voting stock.

V. Relevant Markets

A. The Exhibition of First-Run, Commercial Movies in the Local Markets

23. The exhibition of first-run, commercial movies in the Local Markets are relevant markets under Section 7 of the Clayton Act, 15 U.S.C. 18.

The Exhibition of First-Run, Commercial Movies Product Market

24. Movies are a unique form of entertainment. The experience of viewing a movie in a theatre is an inherently different experience from live entertainment (*e.g.,* a stage production or attending a sporting event) or viewing a movie in the home (*e.g.,* through streaming video, on a DVD, or via pay-per-view).

25. Reflecting the significant differences of viewing a movie in a theatre, ticket prices for movies generally differ from prices for other forms of entertainment. For example, typically, tickets for live entertainment are significantly more expensive than a movie ticket, whereas the costs of home viewing through streaming video, a DVD rental, or pay-per-view is usually significantly less expensive than viewing a movie in a theatre.

26. Viewing a movie at home differs from viewing a movie in a theatre in many ways. For example, the size of the screens differ, the sophistication of the sound systems differ, and, unlike at home, in the theatre, one has the social experience of viewing a movie with other patrons.

27. In addition, the most popular newly released or ''first-run'' movies are not available for home viewing at the time they are released in theatres. Movies are considered to be in their ''first-run'' during the four to five weeks following initial release in a given locality. If successful, a movie may be exhibited at other theatres after the first-run as part of a second or subsequent run (often called a ''sub-run'' or ''second-run'').

28. Moviegoers generally do not regard sub-run movies as an adequate substitute for first-run movies. Reflecting the significant difference between viewing a newly released, first-run movie and an older sub-run movie, tickets at theatres exhibiting first-run movies usually cost significantly more than tickets at sub-run theatres.

29. Art movies and foreign-language movies are also not reasonable substitutes for commercial, first-run movies. Art movies, which include documentaries, are sometimes referred to as independent films. Although art and foreign-language movies appeal to some viewers of commercial movies, art and foreign-language movies tend to have more narrow appeal and typically attract an older audience than commercial movies. Exhibitors consider the operation of theatres that predominantly exhibit art and foreign-language movies to be distinct from the operation of theatres that predominantly exhibit commercial movies.

30. A hypothetical monopolist controlling the exhibition of all first-run, commercial movies in a relevant geographic market would profitably impose at least a small but significant and non-transitory increase (SSNIP) in ticket prices. Thus, the exhibition of first-run, commercial movies is a relevant product market and line of commerce under Section 7 of the Clayton Act in which to assess the competitive effects of this acquisition.

Relevant Geographic Markets for the Exhibition of First-Run, Commercial Movies

31. Moviegoers typically are not willing to travel very far from their home to attend a movie. As a result, geographic markets for the exhibition of first-run, commercial movies are relatively local. Each of the following areas is a relevant geographic market and section of the country for purposes of Section 7 of the Clayton Act.

Area In and Around Montgomery, Alabama

32. AMC and Carmike account for all of the first-run, commercial movie box office revenue in and around Montgomery, Alabama. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Chantilly 13 BigD, the Carmike Promenade 12, and the AMC Festival Plaza 16. No other predominately first-run, commercial movie theatre is in the vicinity of the AMC and Carmike theatres.

33. Moviegoers who reside in and around Montgomery, Alabama are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Montgomery, Alabama constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Destin and Miramar Beach, Florida

34. AMC and Carmike account for all of the first-run, commercial movie box office revenue in and around Destin and Miramar Beach, Florida. The only theatres that predominantly show first-run commercial movies in this area are the AMC Destin Commons 14 and the Carmike Boulevard 10 BigD. No other predominantly first-run, commercial movie theatre is in the vicinity of the AMC and Carmike theatres.

35. Moviegoers who reside in and around Destin and Miramar Beach, Florida are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Destin and Miramar Beach, Florida constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Orange Park and Fleming Island, Florida

36. AMC and Carmike account for the majority of the first-run, commercial movie box office revenue in and around Orange Park and Fleming Island, Florida. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Fleming Island 12, the AMC Orange Park 24, and the EPIC Theater at Oakleaf. Other than the EPIC Theater, no other first-run, commercial movie theatre is in the vicinity of the Carmike and AMC theatres.

37. Moviegoers who reside in and around Orange Park and Fleming Island, Florida are unlikely to travel significant

distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Orange Park and Fleming Island, Florida constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Cumming, Georgia

38. AMC and Carmike account for the majority of the first-run, commercial movie box office revenue in and around Cumming, Georgia. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Movies 400 12, the AMC Avenue Forsyth 12, and the Regal Avalon 12. Other than the Regal Avalon 12, no other predominantly first-run, commercial movie theatre is in the vicinity of the Carmike and AMC theatres.

39. Moviegoers who reside in and around Cumming, Georgia are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Cumming, Georgia constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Lithonia and Conyers, Georgia

40. AMC and Carmike account for all of the first-run, commercial movie box office revenue in and around Lithonia and Conyers, Georgia. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Conyers Crossing 16 and the AMC Stonecrest Mall 16. No other predominately first-run, commercial movie theatre is in the vicinity of the AMC and Carmike theatres.

41. Moviegoers who reside in and around Lithonia and Conyers, Georgia are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Lithonia and Conyers, Georgia constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Crestwood and Lansing, Illinois

42. AMC and Carmike account for the majority of the first-run, commercial movie box office revenue in and around Crestwood and Lansing, Illinois. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Digiplex Lansing 8, the AMC Crestwood 18, the AMC Schererville 12, the AMC Schererville 16, the Marcus Country Club Hills Cinema, the Marcus Chicago Heights Cinema, the Studio Movie Grill Chatham, and the Hoosier Theater. Other than the Marcus Country Club Hills Cinema, the Marcus Chicago Heights Cinema, the Studio Movie Grill Chatham, and the Hoosier Theater, no other predominantly first-run, commercial movie theatre is in the vicinity of the Carmike and AMC theatres.

43. Moviegoers who reside in and around Crestwood and Lansing, Illinois are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Crestwood and Lansing, Illinois constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Normal and Bloomington, Illinois

44. AMC and Carmike account for the majority of the first-run, commercial movie box office revenue in and around Normal and Bloomington, Illinois. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Ovation 10, the AMC Normal 14, and the Wehrenberg Bloomington Galaxy 14 Cinema. Other than the Wehrenberg Bloomington Galaxy 14 Cinema, no other predominantly first-run, commercial movie theatre is in the vicinity of the AMC and Carmike theatres.

45. Moviegoers who reside in and around Normal and Bloomington, Illinois are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Normal and Bloomington, Illinois constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Pekin, Peoria, and Washington, Illinois

46. AMC and Carmike account for the majority of the first-run, commercial movie box office revenue in and around Pekin, Peoria, and Washington, Illinois. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Sunnyland 10, the Carmike Grand Prairie 18, the AMC Pekin 14, the Goodrich Willow Knolls 14, the Morton Cinema, and the Landmark Cinemas. Other than the Goodrich Willow Knolls, the Morton Cinema, and the Landmark Cinemas, no predominantly first-run, commercial movie theatre is in the vicinity of the AMC and Carmike theatres.

47. Moviegoers who reside in and around Pekin, Peoria, and Washington, Illinois are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Pekin, Peoria, and Washington, Illinois constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Inver Grove Heights and Oakdale, Minnesota

48. AMC and Carmike account for nearly a majority of the first-run, commercial movie box office revenue in and around Inver Grove Heights and Oakdale, Minnesota. The only theatres that predominantly show first-run commercial movies in this area are the AMC Inver Grove 16, the Carmike Oakdale 20, the Woodbury 10, and the Marcus Oakdale 17. Other than the Woodbury 10 and the Marcus Oakdale 17, no other predominantly first-run, commercial movie theatre is in the vicinity of the Carmike and AMC theatres.

49. Moviegoers who reside in and around Inver Grove Heights and Oakdale, Minnesota are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial

movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Inver Grove Heights and Oakdale, Minnesota constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Coon Rapids and Mounds View, Minnesota

50. AMC and Carmike account for the majority of the first-run, commercial movie box office revenue in and around Coon Rapids and Mounds View, Minnesota. The only theatres that predominantly show first-run commercial movies in this area are the AMC Coon Rapids 16, the AMC Arbor Lakes, the Carmike Wynnsong 15, the Andover 10, the Regal Brooklyn Center 20, and the Mann Champlin. Other than the Andover 10, the Regal Brooklyn Center 20, and the Mann Champlin, no other predominantly first-run, commercial movie theatre is in the vicinity of the Carmike and AMC theatres.

51. Moviegoers who reside in and around Coon Rapids and Mounds View, Minnesota are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Coon Rapids and Mounds View, Minnesota constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Rockaway and Sparta, New Jersey

52. AMC and Carmike account for all of the first-run, commercial movie box office revenue in and around Rockaway and Sparta, New Jersey. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Digiplex Sparta 3 and the AMC Rockaway 16. No other predominantly first-run, commercial movie theatre is in the vicinity of the Carmike and AMC theatres.

53. Moviegoers who reside in and around Rockaway and Sparta, New Jersey are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Rockaway and Sparta, New Jersey constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Westfield and Cranford, New Jersey

54. AMC and Carmike account for the majority of the first-run, commercial movie box office revenue in and around Westfield and Cranford, New Jersey. Carmike operates two first-run, commercial movie theatres in the area: the Digiplex Rialto Westfield and the Digiplex Cranford 5. AMC operates five theaters in the area: the Mountainside 10, the Aviation 12, the Jersey Gardens 20, the Menlo Park 12, and the Essex Green 9. While there are several other first-run, commercial movie theatres operating in the vicinity of the AMC and Carmike theatres in the area, AMC and Carmike are first and fourth, respectively, in term of the number of screens and box office revenue.

55. Moviegoers who reside in and around Westfield and Cranford, New Jersey are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Westfield and Cranford, New Jersey constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Lawton, Oklahoma

56. AMC and Carmike account for all of the first-run, commercial movie box office revenue in and around Lawton, Oklahoma. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Patriot 13 and the AMC Lawton 12. No other predominately first-run, commercial movie theatre is in the vicinity of the Carmike and AMC theatres.

57. Moviegoers who reside in and around Lawton, Oklahoma are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Lawton, Oklahoma constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Allentown and Center Valley, Pennsylvania

58. AMC and Carmike account for all of the first-run, commercial movie box office revenue in and around Allentown and Center Valley, Pennsylvania. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Promenade 16 IMAX, the Carmike Promenade 16, and the AMC Tilghman Square 8. No other predominately first-run, commercial movie theatre is in the vicinity of the Carmike and AMC theatres.

59. Moviegoers who reside in and around Allentown and Center Valley, Pennsylvania are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Allentown and Center Valley, Pennsylvania constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

Area In and Around Madison and Fitchburg, Wisconsin

60. AMC and Carmike account for the majority of the first-run, commercial movie box office revenue in and around Madison and Fitchburg, Wisconsin. The only theatres that predominantly show first-run commercial movies in this area are the Carmike Sundance Madison 6, the AMC Fitchburg 18, and the Marcus Point Cinema 15. Other than the Marcus Point Cinema 15, no predominately first-run, commercial movie theatre is in the vicinity of the AMC and Carmike theatres.

61. Moviegoers who reside in and around Madison and Fitchburg, Wisconsin are unlikely to travel significant distances out of that area to attend a first-run, commercial movie. A small but significant increase in the price of tickets by a hypothetical monopolist of first-run, commercial movie theatres in this area would likely not cause a sufficient number of moviegoers to travel out of that area to make the increase unprofitable. The area in and around Madison and Fitchburg, Wisconsin constitutes a relevant geographic market in which to assess the competitive effects of this acquisition.

B. Preshow Services and Cinema Advertising in the United States

62. Preshow services sold to exhibitors and cinema advertising sold to advertisers in the United States are relevant markets under Section 7 of the Clayton Act, 15 U.S.C. § 18.

Preshow Services and Cinema Advertising Product Markets

i. Preshow Services

63. Preshow services consist of the packaging of advertisements and content into a preshow delivered to exhibitors, enabling them to earn revenue from the use of their screens before the feature film. The price charged to exhibitors for preshow services is the portion of advertising revenue retained by the network.

64. The sale of preshow services to exhibitors constitutes a relevant product market and line of commerce under Section 7 of the Clayton Act. There are no reasonable substitutes for preshow services. Exhibitors cannot easily replace the preshow services that they buy from cinema advertising networks because individual exhibitors generally lack sufficient screens and geographic reach to secure national advertising. Nor can exhibitors sufficiently replace national advertising in preshows with local and regional advertising because local and regional advertising generates far less revenue than national advertising. Because there are no reasonable substitutes for preshow services, a hypothetical monopolist of all such services could profitably impose a SSNIP. Thus, the market for preshow services is a relevant product market in which to assess the competitive effects of this acquisition.

ii. Cinema Advertising

65. Cinema advertising is the on-screen advertising incorporated in the preshow. The sale of cinema advertising to advertisers is a relevant product market and line of commerce under Section 7 of the Clayton Act. Cinema advertising has important attributes that differentiate it from other forms of video advertising. For example, the preshow is projected on a large screen with high-quality video and sound in a darkened auditorium. In contrast to TV and other video advertising platforms, the audience cannot avoid the advertisements by fast forwarding through them, clicking past them, or changing a channel. The preshow also allows for long-form advertisements typically not available on TV, and it reaches a weekend audience and light TV viewers who are otherwise difficult to reach.

66. Many advertisers value the combination of attributes afforded by cinema advertising, and few would switch to other forms of video advertising in response to a SSNIP of cinema advertising. A hypothetical monopolist over all cinema advertising would profitably impose a SSNIP and, thus, the market for cinema advertising is a relevant product market in which to assess the competitive effects of this acquisition.

Relevant Geographic Market for Preshow Services and Cinema Advertising

67. NCM and Screenvision compete with each other throughout the United States. Exhibitors and advertisers in the United States would not switch to cinema advertising networks located outside of the United States in the event of a SSNIP in the United States. Accordingly, the United States is a relevant geographic market for preshow services sold to exhibitors and for cinema advertising sold to advertisers within the meaning of Section 7 of the Clayton Act.

VI. COMPETITIVE EFFECTS

A. Exhibition of First-Run, Commercial Movies in the Local Markets

68. Exhibitors compete to attract moviegoers to their theatres over the theatres of their rivals. They do that by competing on price, knowing that if they charge too much (or do not offer sufficient discounted tickets for matinees, seniors, students, or children) moviegoers will begin to frequent their rivals' theatres. Exhibitors also compete by seeking to license the first-run movies that are likely to attract the largest numbers of moviegoers. In addition, exhibitors compete over the quality of the viewing experience by offering moviegoers the most sophisticated sound systems, largest screens, best picture clarity, best seating (including stadium, reserved, and recliner seating), and the broadest variety and highest quality snacks, food, and drinks at concession stands or cafés in the lobby or served to moviegoers at their seats.

69. AMC and Carmike currently compete for moviegoers in the Local Markets. These markets are highly concentrated, and in each market, AMC and Carmike are significant competitors, given their close proximity. Their rivalry spurs each to improve the quality of its theatres and keeps ticket prices in check.

70. In each of the Local Markets, AMC's acquisition of Carmike will lead to significant increases in concentration and eliminate existing competition between AMC and Carmike.

71. Market concentration is often a useful indicator of the level of competitive vigor in a market and the likely competitive effects of a merger. The more concentrated a market, and the more a transaction would increase that concentration, the more likely it is that the transaction would result in reduced competition, harming consumers. Market concentration commonly is measured by the Herfindahl-Hirschman Index (''HHI''), as discussed in Appendix A. Markets in which the HHI exceeds 2,500 points are considered highly concentrated, and transactions that increase the HHI by more than 200 points in highly concentrated markets are presumed likely to enhance market power.

72. All of the Local Markets are highly concentrated and will experience significant HHI increases as a result of the transaction. In each of the Local Markets, the proposed acquisition would give AMC control of at least half, and sometimes all, of the first-run, commercial movie theatre screens and between 48% and 100% of the annual box office revenues. In each of the Local Markets, the acquisition would yield post-acquisition HHIs of between 3,800 and 10,000, representing increases in the range of 600 to 5,000 points.

73. Today, were one of Defendants' theatres to increase unilaterally ticket prices in each of Local Markets, the exhibitor that increased price would likely suffer financially as a substantial number of its customers would patronize the other exhibitor. The acquisition would eliminate this pricing constraint. Thus, the acquisition is likely to lead to higher ticket prices for moviegoers, which could take the form of a higher adult evening ticket price or reduced discounting for matinees, children, seniors, or students.

74. The proposed acquisition likely would also reduce competition between AMC and Carmike over the quality of the viewing experience at the theatres in the Local Markets. If no longer motivated to compete, AMC and Carmike would have reduced incentives to maintain, upgrade, and renovate their theatres, to improve the theatres' amenities and services, or to license the most popular movies, thus reducing the quality of the viewing experience for moviegoers in the Local Markets.

75. For all of these reasons, AMC's acquisition of Carmike likely will result in a substantial lessening of competition in each of the Local Markets.

B. Preshow Services and Cinema Advertising in the United States

76. The proposed transaction also would likely substantially lessen competition in the markets for the sale of preshow services to exhibitors and the sale of cinema advertising to advertisers in the United States.

AMC's Simultaneous Ownership of Equity Interests in NCM and Screenvision Will Likely Substantially Lessen Competition

77. As a significant owner of equity interests in both NCM and Screenvision post-merger, AMC would have an incentive to reduce the head-to-head competition between NCM and Screenvision. AMC will not benefit from strong competition between NCM and Screenvision post-merger because the competition will lower the profits AMC earns from NCM and Screenvision through its ownership interest.

78. In light of this incentive, AMC will likely use its influence and governance rights in both companies to ensure that NCM and Screenvision compete less aggressively to sign contracts with exhibitors and advertisers at the expense of the other network. AMC will also have the ability to use its access to confidential, nonpublic, and trade secret information from NCM and Screenvision to facilitate collusion by passing that competitively sensitive information between NCM and Screenvision.

79. The lessening of competition between NCM and Screenvision will likely result in lower payments to exhibitors and/or lower quality preshows for exhibitors. Given that NCM and Screenvision control over 80% of screens in the United States, it would be difficult for exhibitors to substitute to other, smaller networks.

80. Additionally, as a result of this lessening of competition, advertisers will no longer benefit from the lower prices that have resulted from the competition between NCM and Screenvision. Advertisers do not have choices other than these two networks to reach a broad number of viewers of their cinema advertising.

The Merger Will Likely Substantially Lessen Competition in Both Markets Because It Will Likely Weaken Screenvision's Ability to Compete

81. The loss of an independent Carmike also likely would weaken Screenvision's ability to remain a robust, competitive check on NCM, the only other significant competitor in the preshow services and cinema advertising markets. Scale is an important element of competition for advertisers and, in turn, for exhibitors. Carmike is Screenvision's largest exhibitor, and Screenvision touts the Carmike theatre network's current, broad scale when competing to execute deals with advertisers and exhibitors.

82. Screenvision also relies on Carmike's expansion plans to maintain and possibly expand the scale of its network of screens. Under Carmike's contract with Screenvision, all newly-acquired or -built Carmike theatres that have a preshow are automatically assigned to the Screenvision network. As a result, Carmike has fueled much of Screenvision's growth in recent years through its acquisitions of existing theatres and new theatre builds. This growth is important to maintaining scale since exhibitors, including Carmike, periodically close theaters that are no longer economically viable. Additionally, Screenvision's scale is at risk as the industry consolidates and more of the exhibitors with which it had previously contracted migrate to the contracts between NCM and its Founding Members: AMC, Regal, and Cinemark.

83. NCM's Founding Members and Carmike are the only exhibitors that have made significant acquisitions as the exhibitor industry has been consolidating. These exhibitors have long-term exclusive contracts with either NCM or Screenvision. If AMC acquires Carmike, the AMC/NCM exclusive arrangement will be expanded to Carmike and all of the merged firm's future theatre acquisitions and new builds will affiliate with NCM. Screenvision will lose access to its only substantial source of theatre acquisitions and the number of independent exhibitors unencumbered by long-term exclusive dealing arrangements for which Screenvision can compete will shrink even more as industry consolidation continues. Screenvision will only be able to rely on the other, smaller exhibitors for theatre acquisitions or new builds to maintain its network scale. These exhibitors will be unable to replace the growth that Carmike would have likely provided in the absence of the merger.

84. Competition will be lessened in the preshow services and cinema advertising markets because the merger will weaken one of the only two competitors. In the preshow services market, because NCM and Screenvision closely monitor each other and battle for market share, the competition between them provides tangible benefits for exhibitors with respect to price and quality of preshows. The proposed merger would likely substantially lessen the competition between NCM and Screenvision that has yielded these benefits, potentially forcing exhibitors to raise prices to consumers or forgo theatre improvements to offset the resulting reduction in revenue that they earn from preshows.

85. In the cinema advertising market, the resulting lessening of competition from the proposed acquisition would negatively impact advertisers, who pay NCM and Screenvision to place their ads in the movie preshows. Currently, advertisers benefit from competition between NCM and Screenvision for the placement of their ads. The proposed merger would likely substantially lessen the competition between NCM and Screenvision that has yielded these benefits, likely forcing advertisers to pay higher prices or accept lower quality placement of their advertising in the movie pre-shows.

VII. ENTRY

86. Sufficient, timely entry that would deter or counteract the anticompetitive effects in the relevant markets alleged above is unlikely. Exhibitors are reluctant to locate new, first-run, commercial theatres near existing, first-run, commercial theatres unless the population density, demographics, or the quality of existing theatres makes new entry viable. Timely entry of new, first-run, commercial movie theatres in the areas in and around the Local Markets would be unlikely to defeat a price increase by the merged firm.

87. Additionally, the entry barriers associated with developing a cinema advertising network are high, and thus new entry or expansion by existing competitors is unlikely to prevent or remedy the proposed merger's likely anticompetitive effects in the preshow services and cinema advertising markets. Barriers to entry and expansion include the time and cost of developing a network of screens to achieve sufficient scale. NCM's and Screenvision's lock-up of almost all of the exhibitors in the United States through staggered long-term contracts makes entry a long process. This adds to the already high cost of building the infrastructure necessary to develop and attract national advertisers. It also increases the length of time an entrant must sustain losses before its scale is large enough to sell advertising at long-term profitable rates.

88. Exhibitors generally cannot supply preshow services themselves to replace the likely substantial lessening of competition in the preshow services market. Individual exhibitors or groups of small exhibitors whose contracts with NCM or Screenvision are expiring are unlikely to be able to establish cost-effective sales forces, attract national advertisers, or otherwise develop a

sufficient infrastructure to reasonably replace lost competition.

VIII. VIOLATION ALLEGED

89. Plaintiff hereby reincorporates paragraphs 1 through 88.

90. The likely effect of AMC's proposed acquisition of Carmike would be to substantially lessen competition in each of the relevant markets identified above in violation of Section 7 of the Clayton Act, 15 U.S.C. 18.

91. Unless enjoined, the proposed transaction would likely have the following effects, among others:

(a) the prices of tickets at first-run, commercial movie theatres in the areas in and around the Local Markets would likely increase above levels that would prevail absent the acquisition;

(b) the quality of first-run, commercial theatres and the viewing experience at those theatres in the Local Markets would likely decrease below levels that would prevail absent the acquisition;

(c) the quality of and revenues from preshow services provided to exhibitors would likely decrease below levels that would prevail absent the acquisition; and

(d) the cost to place ads in theatre preshows to advertisers will likely increase to levels above, and the quality of advertising will decrease to levels below, those that would prevail absent the acquisition.

IX. REQUESTED RELIEF

92. Plaintiff requests that:

(a) AMC's proposed acquisition of Carmike be adjudged to violate Section 7 of the Clayton Act, 15 U.S.C. 18;

(b) Defendants be permanently enjoined from and restrained from carrying out the proposed acquisition or any other transaction that would combine the two companies;

(c) Plaintiff be awarded its costs of this action; and

(d) Plaintiff be awarded such other reliefs as the Court may deem just and proper.

Dated: 12/20/2016.

For Plaintiff United States of America

/s/ _____

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Acting Assistant Attorney General.

/s/ _____

Jonathan B. Sallet,
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/s/ _____

Patricia A. Brink,
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APPENDIX A

Herfindahl-Hirschman Index

The term ''HHI'' means the Herfindahl-Hirschman Index, a commonly accepted measure of market concentration. The HHI is calculated by squaring the market share of each firm competing in the relevant market and then summing the resulting numbers. For example, for a market consisting of four firms with shares of 30, 30, 20, and 20 percent, the HHI is 2,600 (302 + 302 + 202 + 202 = 2,600). The HHI takes into account the relative size distribution of the firms in a market. It approaches zero when a market is occupied by a large number of firms of relatively equal size, and reaches its maximum of 10,000 points when a market is controlled by a single firm. The HHI increases both as the number of firms in the market decreases and as the disparity in size between those firms increases.

Markets in which the HHI is between 1,500 and 2,500 points are considered to be moderately concentrated, and markets in which the HHI is in excess of 2,500 points are considered to be highly concentrated. *See* U.S. Department of Justice & Federal Trade Commission, *Horizontal Merger Guidelines* § 5.3 (2010) (''Guidelines''). Transactions that increase the HHI by more than 200 points in highly concentrated markets presumptively raise antitrust concerns under the Guidelines. *Id.*

United States District Court for the District of Columbia

United States of America Plaintiff, v. *AMC Entertainment Holdings, Inc., and Carmike Cinemas, Inc.,* Defendants.

Case No.: 1:16–cv–02475
Judge: Randolph D. Moss
Filed: 12/20/2016

COMPETITIVE IMPACT STATEMENT

Plaintiff, United States of America, pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act (''APPA'' or ''Tunney Act''), 15 U.S.C. § 16(b)–(h), files this Competitive Impact Statement relating to the proposed Final Judgment submitted for entry in this civil antitrust proceeding.

I. NATURE AND PURPOSE OF PROCEEDING

On March 3, 2016, Defendant AMC Entertainment Holdings, Inc. (''AMC'') agreed to acquire all of the outstanding voting securities of Defendant Carmike Cinemas, Inc. (''Carmike''). AMC and Carmike are the second-largest and fourth-largest movie theatre circuits, respectively, in the United States.

AMC owns significant equity in National CineMedia, LLC (''NCM'') and Carmike owns significant equity in SV Holdco, LLC, a holding company that owns and operates Screenvision Exhibition, Inc. (collectively ''Screenvision''). NCM and Screenvision are the country's two main, preshow cinema advertising networks, covering over 80% of movie theatre screens in the United States.

The United States filed a civil antitrust complaint on December 20, 2016, seeking to enjoin the proposed acquisition and to obtain equitable relief. The Complaint alleges that the acquisition, if permitted to proceed, would give AMC direct control of one of its most significant movie theatre competitors, and in some cases, its only competitor, in 15 local markets (identified as the ''Local Markets'' in the Complaint) [1] in nine states. Moviegoers would likely experience higher ticket and concession prices and lower quality services in these local markets as a consequence.

The Complaint further alleges that because AMC will hold sizable interests in both NCM and Screenvision post-transaction, and Screenvision will lose Carmike as a source of future growth of its network, the acquisition would substantially lessen competition in the markets for preshow services and cinema advertising. This loss of competition likely would result in increased prices and reduced services for advertisers and theatre exhibitors seeking preshow services.

The likely effect of AMC's acquisition of Carmike will be to substantially lessen competition in the exhibition of first-run, commercial movies in the 15 Local Markets, and in the sale of preshow services and cinema advertising on a nationwide basis, in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18.

At the same time the Complaint was filed, the United States also filed a Hold Separate Stipulation and Order (''Hold

[1] As alleged in the Complaint, the 15 Local Markets are Montgomery, Alabama; Destin and Miramar Beach, Florida; Orange Park and Fleming Island, Florida; Cumming, Georgia; Lithonia and Conyers, Georgia; Crestwood and Lansing, Illinois; Normal and Bloomington, Illinois; Pekin, Peoria, and Washington, Illinois; Inver Grove Heights and Oakdale, Minnesota; Coon Rapids and Mounds View, Minnesota; Rockaway and Sparta, New Jersey; Westfield and Cranford, New Jersey; Lawton, Oklahoma; Allentown and Center Valley, Pennsylvania; and Madison and Fitchburg, Wisconsin.

Separate'') and a proposed Final Judgment. Under the terms of the proposed Final Judgment, which is explained more fully below, AMC is required to take certain actions that are designed to eliminate the anticompetitive effects that are likely to result from AMC's acquisition of Carmike. Specifically, the Defendants are required to: (1) Divest movie theatres in the 15 Local Markets where it and Carmike are direct competitors; (2) sell down its equity interest in NCM such that it owns no more than 4.99%; (3) relinquish its seats on NCM's Board of Directors and all other governance rights it holds in NCM, (4) transfer 24 theaters with a total of 384 screens to the Screenvision cinema advertising network and divest any of those theatres it does not successfully transfer; and (5) implement and maintain ''firewalls'' to further ensure that it does not obtain NCM's, Screenvision's, or other exhibitors' competitively sensitive information or become a conduit for the flow of such information between NCM and Screenvision.

The United States and Defendants have stipulated that the proposed Final Judgment may be entered after compliance with the APPA. Entry of the proposed Final Judgment would terminate this action, except that the Court would retain jurisdiction to construe, modify, or enforce the provisions of the proposed Final Judgment and to punish violations thereof.

II. DESCRIPTION OF THE EVENTS GIVING RISE TO THE ALLEGED VIOLATION

A. Defendants and the Proposed Transaction

Defendant AMC is a Delaware corporation with its headquarters in Leawood, Kansas. As of September 30, 2016, AMC operated approximately 388 theatres with a total of 5,295 screens located across 31 states and the District of Columbia. AMC reported approximately $1.89 billion in U.S. box office revenues in 2015 and approximately $1.46 billion in U.S. box office revenues for the first nine months of 2016. Measured by number of theatres, screens, and box office revenue, AMC is the second-largest theatre circuit in the United States.

AMC is one of the three founders of the NCM cinema advertising network, owns 17.4% of NCM, controls two seats on NCM's Board of Directors, and has certain governance rights over NCM. AMC's ownership interest in NCM will increase to 26.5% after it acquires Carmike.

Defendant Carmike is a Delaware corporation with its headquarters in Columbus, Georgia. As of September 30, 2016, Carmike operated approximately 271 movie theatres with a total of 2,917 screens located across 41 states. Carmike reported approximately $490.0 million in U.S. box office revenues in 2015, and approximately $370.8 million in U.S. box office revenue for the first nine months of 2016. Measured by number of theatres, screens, and box office revenue, Carmike is the fourth-largest theatre circuit in the United States.

Carmike is the largest theatre circuit in the Screenvision cinema advertising network. It also owns approximately 19% of Screenvision, controls a seat on Screenvision's Board of Directors, and has certain governance rights over Screenvision.

B. The Competitive Effects of the Transaction on the Exhibition of First-Run, Commercial Movies

1. The Relevant Markets

As alleged in the Complaint, movies are a unique form of entertainment. The experience of viewing a movie in a theatre is an inherently different experience from live entertainment (*e.g.,* a stage production or attending a sporting event) or viewing a movie in the home (*e.g.,* through streaming video, on a DVD, or via pay-per-view).

Reflecting the significant differences of viewing a movie in a theatre, ticket prices for movies generally differ from prices for other forms of entertainment. For example, typically, tickets for live entertainment are significantly more expensive than a movie ticket, whereas the costs of home viewing through streaming video, a DVD rental, or pay-per-view is usually significantly less expensive than viewing a movie in a theatre.

Viewing a movie at home differs from viewing a movie in a theatre in many ways. For example, the size of the screens and sophistication of the sound systems differ, and, unlike at home, in the theatre, one has the social experience of viewing a movie with other patrons.

In addition, the most popular newly released or ''first-run'' movies are not available for home viewing at the time they are released in theatres. Movies are considered to be in their ''first-run'' during the four to five weeks following initial release in a given locality. If successful, a movie may be exhibited at other theatres after the first-run as part of a second or subsequent run (often called a ''sub-run'' or ''second-run'').

Moviegoers generally do not regard sub-run movies as an adequate substitute for first-run movies. Reflecting the significant difference between viewing a newly released, first-run movie and an older sub-run movie, tickets at theatres exhibiting first-run movies usually cost significantly more than tickets at sub-run theatres.

Art movies and foreign-language movies are also not reasonable substitutes for commercial, first-run movies. Art movies, which include documentaries, are sometimes referred to as independent films. Although art and foreign-language movies appeal to some viewers of commercial movies, art and foreign-language movies tend to have more narrow appeal and typically attract an older audience than commercial movies. Exhibitors consider the operation of theatres that predominantly exhibit art and foreign-language movies to be distinct from the operation of theatres that predominantly exhibit commercial movies.

For all of these reasons, the Complaint alleges that a hypothetical monopolist controlling the exhibition of all first-run, commercial movies in a relevant geographic market would profitably impose at least a small but significant and non-transitory increase (''SSNIP'') in ticket prices. Thus, the exhibition of first-run, commercial movies is a relevant product market and line of commerce under Section 7 of the Clayton Act in which to assess the competitive effects of this acquisition.

Moviegoers typically are not willing to travel very far from their home to attend a movie. As a result, geographic markets for the exhibition of first-run, commercial movies are relatively local. As detailed in the Complaint, there are 15 Local Markets in which AMC and Carmike compete today and each is a relevant geographic market in a section of the country for purposes of Section 7 of the Clayton Act.

2. Competitive Effects

Exhibitors compete to attract moviegoers to their theatres over the theatres of their rivals. They do that by competing on price, knowing that if they charge too much (or do not offer sufficient discounted tickets for matinees, seniors, students, or children) moviegoers will begin to frequent their rivals. Exhibitors also compete by seeking to license the first-run movies that are likely to attract the largest numbers of moviegoers. In addition, exhibitors compete over the quality of the viewing experience by offering moviegoers the most sophisticated sound systems, largest screens, best picture clarity, best seating (including stadium, reserved, and recliner seating), and the broadest variety and highest

quality of snacks, food, and drinks at concession stands or cafés in the lobby or served to moviegoers at their seats.

AMC and Carmike currently compete for moviegoers in the Local Markets. As detailed in the Complaint, all 15 Local Markets are highly concentrated, and will experience significant additional increases in concentration as a result of the transaction. In each of the Local Markets, the proposed acquisition would give AMC control of a majority, or all, of the first-run, commercial movie theatres and between 48% and 100% of the annual box office revenues. The transaction will also eliminate substantial head-to-head competition between AMC and Carmike that has provided consumers with lower prices and a higher quality movie-going experience.

3. Entry and Expansion

Sufficient, timely entry that would deter or counteract the anticompetitive effects in the Local Markets is unlikely. Exhibitors are reluctant to locate new, first-run, commercial theatres near existing, first-run, commercial theatres unless the population density, demographics, or quality of existing theatres makes new entry viable. Timely entry of new, first-run, commercial movie theatres in the areas in and around the Local Markets would be unlikely to defeat a price increase by the merged firm.

C. The Competitive Effects of the Transaction on the Preshow Services and Cinema Advertising Markets

1. Relevant Markets

As alleged in the Complaint, both preshow services sold to exhibitors and cinema advertising sold to advertisers in the United States are relevant markets under Section 7 of the Clayton Act, 15 U.S.C. § 18.

Preshow services consist of the packaging of advertisements and content into a preshow delivered to exhibitors, enabling them to earn revenue from the use of their screens before the feature film. The price charged to exhibitors for preshow services is the portion of advertising revenue retained by the network.

The sale of preshow services to exhibitors constitutes a relevant product market and line of commerce under Section 7 of the Clayton Act. There are no reasonable substitutes for preshow services. Exhibitors cannot easily replace the preshow services that they buy from cinema advertising networks because individual exhibitors generally lack sufficient screens and geographic reach to secure national advertising. Nor can exhibitors sufficiently replace national advertising in preshows with local and regional advertising because local and regional advertising generates far less revenue than national advertising. Because there are no reasonable substitutes for preshow services, a hypothetical monopolist of all such services could profitably impose a SSNIP. Thus, the Complaint alleges that the market for preshow services is a relevant product market in which to assess the competitive effects of the acquisition.

Cinema advertising is the on-screen advertising incorporated in the preshow. The Complaint alleges that the sale of cinema advertising to advertisers is a relevant product market and line of commerce under Section 7 of the Clayton Act. Cinema advertising has important attributes that differentiate it from other forms of video advertising. For example, the preshow is projected on a large screen with high-quality video and sound in a darkened auditorium. In contrast to TV and other video advertising platforms, the audience cannot avoid the advertisements by fast forwarding through them, clicking past them, or changing a channel. The preshow also allows for long-form advertisements typically not available on TV, and it reaches a weekend audience and light TV viewers who are otherwise difficult to reach.

NCM and Screenvision compete with each other throughout the United States. Exhibitors and advertisers in the United States would not switch to cinema advertising networks located outside of the United States in the event of a SSNIP in the United States. Accordingly, the Complaint alleges that United States is a relevant geographic market and section of the country for preshow services sold to exhibitors and for cinema advertising sold to advertisers within the meaning of Section 7 of the Clayton Act.

2. Competitive Effects

As a significant owner of equity interests in both NCM and Screenvision post-merger, AMC would have an incentive to reduce the head-to-head competition between NCM and Screenvision. AMC will likely use its influence and governance rights in both companies to ensure that NCM and Screenvision compete less aggressively to sign contracts with exhibitors and advertisers at the expense of the other network. AMC will also have the ability to use its access to confidential, nonpublic, and trade secret information of NCM and Screenvision to reduce competition by passing that competitively sensitive information between the companies.

The lessening of competition between NCM and Screenvision will likely result in lower payments and/or lower quality preshows for exhibitors. Additionally, advertisers will no longer benefit from the lower prices that have resulted from the competition between NCM and Screenvision. Advertisers do not have choices other than these two networks to reach a broad number of viewers of their cinema advertising.

As further alleged in the Complaint, the loss of an independent Carmike also likely would weaken Screenvision's ability to remain a robust competitive check on NCM, the only other significant competitor in the preshow services and cinema advertising markets. In 2014, the United States filed a civil antitrust lawsuit to block NCM's acquisition of Screenvision and preserve the intense competition between the companies. NCM and Screenvision subsequently abandoned their merger in early 2015. As was the case in 2014, Carmike remains Screenvision's largest exhibitor, and Screenvision touts the Carmike theatre network's current, broad scale when competing to execute deals with advertisers and exhibitors. The merger, however, will extend AMC's exclusive contract with NCM to include any new theatres that Carmike would have opened or acquired. This shift from Screenvision to NCM will likely weaken Screenvision's ability to compete because: (1) It will be unable to rely on Carmike's growth to increase its network's scale; and (2) the number of independent theatre exhibitors unencumbered by an exclusive preshow agreement with NCM will shrink as exhibitor consolidation continues. For all of these reasons, the Complaint alleges that the merger is likely to substantially lessen competition in the preshow services and cinema advertising markets.

3. Entry and Expansion

According to the Complaint, the entry barriers associated with developing a cinema advertising network are high, and thus new entry or expansion by existing competitors is unlikely to prevent or remedy the proposed merger's likely anticompetitive effects in the preshow services and cinema advertising markets. Barriers to entry and expansion include the time and cost of developing a network of screens to achieve sufficient scale. NCM's and Screenvision's lock-up of almost all of the exhibitors in the United States through staggered long-term contracts makes entry a long process. This adds

to the already high cost of building the infrastructure necessary to develop and attract national advertisers. It also increases the length of time an entrant must sustain losses before its scale is large enough to sell advertising at long-term profitable rates.

Exhibitors generally cannot supply preshow services themselves to replace the substantial lessening of competition in the preshow services market. Individual exhibitors or groups of small exhibitors whose contracts with NCM or Screenvision are expiring are unlikely to be able to establish cost-effective sales forces, attract national advertisers, or otherwise develop a sufficient infrastructure to reasonably replace lost competition.

III. EXPLANATION OF THE PROPOSED FINAL JUDGMENT

The movie theatre divestiture requirement of the proposed Final Judgment will eliminate the anticompetitive effects of AMC's acquisition of Carmike in each of the 15 Local Markets for the exhibition of first-run, commercial movies by establishing new, independent, and economically-viable competitors. The other requirements of the proposed Final Judgment will eliminate the anticompetitive effects of the acquisition on the preshow services and cinema advertising markets by requiring AMC to divest most of its ownership interest in NCM, relinquish its NCM Board seats and all governance rights, transfer 24 AMC theatres with a total of 384 screens to the Screenvision network, and implement firewalls to prevent the misuse of competitively sensitive information.

A. Theatre Exhibition of First-Run, Commercial Movies

Section IV.A of the proposed Final Judgment requires Defendants within sixty calendar days after the filing of the Complaint, or five calendar days after the Court's entry of Final Judgment, whichever is later, to divest as viable, ongoing businesses the theatres identified on the ''Initial Theatre Divestiture Assets'' list in Appendix A to the proposed Final Judgment to one or more acquirers acceptable to the United States in its sole discretion. This will require Defendants to divest a minimum of 15 theatres covering each of the Local Markets.

The theatres must be divested in such a way as to satisfy the United States that they can and will be operated by the purchaser as viable, ongoing businesses that can compete effectively as first-run, commercial theatres. To that end, the proposed Final Judgment provides the acquirer(s) of the theatres with an option to enter into a transitional agreement with Defendants of up to 120 days in length, with the possibility of one or more extensions not to exceed six months in total, for the supply of any goods, services, support, including software service and support, and reasonable use of the name AMC, the name Carmike, and any registered service marks of AMC or Carmike, for use in operating those theatres during the period of transition. The availability of a transitional agreement will ensure that the acquirer(s) of the theatres can operate without interruption while long-term supply agreements are arranged and the theatres rebranded.

In the event that Defendants do not accomplish the theatre divestitures within the periods prescribed in the proposed Final Judgment, Section VI of the proposed Final Judgment provides that the Court will appoint a Divestiture Trustee selected by the United States to effectuate the theatre divestitures required by the Final Judgment.

If Defendants are unable to effectuate any of the divestitures due to their inability to obtain the consent of the landlord from whom a theatre is leased, Section IV.K of the proposed Final Judgment requires them to divest alternative theatre assets that compete effectively with the theatres for which the landlord consent was not obtained. This provision will ensure that any failure by Defendants to obtain landlord consent does not thwart the relief obtained in the proposed Final Judgment.

The theatre divestiture provisions of the proposed Final Judgment will eliminate the anticompetitive effects of AMC's acquisition of Carmike in the exhibition of first-run, commercial movies in the Local Markets.

In addition to the proposed Final Judgment's provisions, the Hold Separate provides that, until the divestitures take place, AMC and Carmike must maintain the sales and marketing of the theatres, and maintain the theatres in operable condition at current capacity configurations. In addition, AMC and Carmike must not transfer or reassign to other areas within the company their employees with primary responsibility for the operation of the theatres, except for transfer bids initiated by employees pursuant to Defendants' regular, established job-posting policies.

B. Preshow Services and Cinema Advertising

The proposed Final Judgment will remedy the anticompetitive effects of the proposed transaction in the markets for preshow services and cinema advertising in two principal ways.

First, the proposed Final Judgment will significantly reduce AMC's incentive and ability to weaken head-to-head competition between NCM and Screenvision following the merger. In the absence of relief, AMC's significant equity holdings in both NCM and Screenvision would give AMC the incentive post-merger to use its governance rights to soften each company's competitive actions towards the other and use its access to each company's competitively sensitive information to help the companies coordinate their actions. The proposed Final Judgment significantly reduces AMC's incentives to lessen competition or favor NCM over Screenvision by requiring AMC to sell down its NCM equity holdings to a level of no more than 4.99%. Pursuant to NCM's governing documents, AMC would lose its right to seats on NCM's board of directors. Because the divestiture will leave AMC with a relatively small stake in NCM—both in terms of its proportion of the whole and total value—it would no longer earn significant profits from a lessening of competition between NCM and Screenvision. Moreover, the NCM profits to be earned from any action AMC were to take to lessen such competition would largely accrue to its theatre exhibitor rivals Regal and Cinemark, an unappealing outcome to AMC.

To further reduce AMC's ability to lessen head-to-head competition between NCM and Screenvision, Section X.A of the proposed Final Judgment prohibits AMC from holding NCM board seats or otherwise exercising any governance rights in NCM. In addition, Section X.B of the proposed Final Judgment prohibits AMC from, among other activities, attending NCM board meetings, receiving nonpublic information from NCM, or proposing NCM make future acquisitions. These provisions, along with the loss of AMC's rights to participate in NCM's business as a result of the sell down of AMC's equity interest below 5%, will render AMC unable to direct or influence NCM to soften its competitive actions towards Screenvision.

In order to further ensure that AMC cannot use its position as an owner and major customer of NCM and Screenvision to obtain competitively sensitive information that could be used to facilitate improper coordination or otherwise cause competitive harm, Section XII of the proposed Final Judgment requires AMC to institute firewalls to prevent AMC from obtaining

competitively sensitive information from either NCM or Screenvision, passing competitively sensitive information between NCM and Screenvision, or obtaining from NCM or Screenvision competitively sensitive information about any of NCM or Screenvision's other exhibitor customers.

Second, the proposed Final Judgment seeks to ensure that Screenvision will remain a strong competitor to NCM in the preshow services and cinema advertising markets. As alleged in the Complaint, Screenvision is NCM's only significant competitor in these markets, and Carmike is Screenvision's largest theatre exhibitor. While Carmike's legacy theatres will remain in Screenvision's network for the remainder of the Carmike/Screenvision contract, the merger will deprive Screenvision of Carmike's expected growth through future acquisitions and new theatre builds. To offset this loss of future Carmike growth, Section XI.A of the proposed Final Judgment requires the Defendants to transfer the 24 theatres identified in Appendix B to the proposed Final Judgment, comprising a total of 384 screens, to Screenvision for the term of the Final Judgment and to stop utilizing NCM preshow and theatre advertising services at these theatres. If the Defendants fail to effectuate the Screenvision transfer at any of the 24 theatres within the time period set forth in Section XI.A, Section XI.B requires AMC to divest such theatres pursuant to the procedures set forth in Section IV.B of the proposed Final Judgment. In addition to the screen transfer, Screenvision will also benefit from AMC's plans to remodel a significant number of Carmike theatres, which will likely increase audience attendance at those theatres. Taken together, Screenvision will obtain through the screen transfers and theatre remodeling the credibility and additional scale—both in terms of geographic coverage and increased audiences—to compete effectively for advertisers and exhibitors against NCM.

In addition, the proposed Final Judgment requires AMC to designate a Compliance Officer who will supervise the AMC's compliance with the Final Judgment, distributing the Final Judgment to the company's personnel, and reporting decree violations, including violations of the firewall provisions, to the United States.

IV. REMEDIES AVAILABLE TO POTENTIAL PRIVATE LITIGANTS

Section 4 of the Clayton Act, 15 U.S.C. 15, provides that any person who has been injured as a result of conduct prohibited by the antitrust laws may bring suit in federal court to recover three times the damages the person has suffered, as well as costs and reasonable attorneys' fees. Entry of the proposed Final Judgment will neither impair nor assist the bringing of any private antitrust damage action. Under the provisions of Section 5(a) of the Clayton Act, 15 U.S.C. 16(a), the proposed Final Judgment has no *prima facie* effect in any subsequent private lawsuit that may be brought against Defendants.

V. PROCEDURES AVAILABLE FOR MODIFICATION OF THE PROPOSED FINAL JUDGMENT

The United States and Defendants have stipulated that the proposed Final Judgment may be entered by the Court after compliance with the provisions of the APPA, provided that the United States has not withdrawn its consent. The APPA conditions entry upon the Court's determination that the proposed Final Judgment is in the public interest.

The APPA provides a period of at least sixty (60) days preceding the effective date of the proposed Final Judgment within which any person may submit to the United States written comments regarding the proposed Final Judgment. Any person who wishes to comment should do so within sixty (60) days of the date of publication of this Competitive Impact Statement in the **Federal Register**, or the last date of publication in a newspaper of the summary of this Competitive Impact Statement, whichever is later. All comments received during this period will be considered by the United States Department of Justice, which remains free to withdraw its consent to the proposed Final Judgment at any time prior to the Court's entry of judgment. The comments and the response of the United States will be filed with the Court. In addition, comments will be posted on the U.S. Department of Justice, Antitrust Division's internet website and, under certain circumstances, published in the **Federal Register**.

Written comments should be submitted to: Owen M. Kendler, Acting Chief, Litigation III, Antitrust Division, United States Department of Justice, 450 5th Street NW., Suite 4000, Washington, DC 20530.

The proposed Final Judgment provides that the Court retains jurisdiction over this action, and the parties may apply to the Court for any order necessary or appropriate for the modification, interpretation, or enforcement of the Final Judgment.

VI. ALTERNATIVES TO THE PROPOSED FINAL JUDGMENT

The United States considered, as an alternative to the proposed Final Judgment, a full trial on the merits against Defendants. Plaintiff could have continued the litigation and sought preliminary and permanent injunctions against AMC's acquisition of Carmike. Plaintiff is satisfied, however, that the divestiture of assets and other relief described in the proposed Final Judgment will preserve competition for the exhibition of first-run, commercial movies in the Local Markets, as well as preserve competition in preshow services and cinema advertising. Thus, the proposed Final Judgment would achieve all or substantially all of the relief that the United States would have obtained through litigation, but avoids the time, expense, and uncertainty of a full trial on the merits of the Complaint.

VII. STANDARD OF REVIEW UNDER THE APPA FOR THE PROPOSED FINAL JUDGMENT

The APPA requires that proposed consent judgments in antitrust cases brought by the United States be subject to a sixty-day comment period, after which the court shall determine whether entry of the proposed Final Judgment is ''in the public interest.'' 15 U.S.C. 16(e)(1). In making that determination, the court, in accordance with the statute as amended in 2004, is required to consider:

(A) the competitive impact of such judgment, including termination of alleged violations, provisions for enforcement and modification, duration of relief sought, anticipated effects of alternative remedies actually considered, whether its terms are ambiguous, and any other competitive considerations bearing upon the adequacy of such judgment that the court deems necessary to a determination of whether the consent judgment is in the public interest; and

(B) the impact of entry of such judgment upon competition in the relevant market or markets, upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

Id. at § 16(e)(1)(A) & (B). In considering these statutory factors, the court's inquiry is necessarily a limited one as the government is entitled to ''broad discretion to settle with the defendant within the reaches of the public interest.'' *United States* v. *Microsoft Corp.,* 56 F.3d 1448, 1461 (D.C. Cir. 1995); *see generally United States* v. *SBC Commc'ns, Inc.,* 489 F. Supp. 2d 1 (D.D.C. 2007) (assessing public interest standard under the Tunney Act); *United States* v. *US*

Airways Group, Inc., 38 F. Supp. 3d 69, 75 (D.D.C. 2014) (noting that the court's ''inquiry is limited'' because the government has ''broad discretion'' to determine the adequacy of the relief secured through a settlement); *United States* v. *InBev N.V./S.A.,* No. 08–1965 (JR), 2009–2 Trade Cas. (CCH) ¶ 76,736, 2009 U.S. Dist. LEXIS 84787, at *3 (D.D.C. Aug. 11, 2009) (noting that the court's review of a consent judgment is limited and only inquires ''into whether the government's determination that the proposed remedies will cure the antitrust violations alleged in the complaint was reasonable, and whether the mechanism to enforce the final judgment are clear and manageable.'').[2]

As the United States Court of Appeals for the District of Columbia Circuit has held, a court conducting inquiry under the APPA may consider, among other things, the relationship between the remedy secured and the specific allegations set forth in the government's complaint, whether the decree is sufficiently clear, whether enforcement mechanisms are sufficient, and whether the decree may positively harm third parties. *See Microsoft,* 56 F.3d at 1458–62. With respect to the adequacy of the relief secured by the decree, a court may not ''engage in an unrestricted evaluation of what relief would best serve the public.'' *United States* v. *BNS, Inc.,* 858 F.2d 456, 462 (9th Cir. 1988) (quoting *United States* v. *Bechtel Corp.,* 648 F.2d 660, 666 (9th Cir. 1981)); *see also Microsoft,* 56 F.3d at 1460–62; *United States* v. *Alcoa, Inc.,* 152 F. Supp. 2d 37, 40 (D.D.C. 2001); *InBev,* 2009 U.S. Dist. LEXIS 84787, at *3. Courts have held that:

> [t]he balancing of competing social and political interests affected by a proposed antitrust consent decree must be left, in the first instance, to the discretion of the Attorney General. The court's role in protecting the public interest is one of insuring that the government has not breached its duty to the public in consenting to the decree. The court is required to determine not whether a particular decree is the one that will best serve society, but whether the settlement is ''*within the reaches of the public interest.*'' More elaborate requirements might undermine the effectiveness of antitrust enforcement by consent decree.

Bechtel, 648 F.2d at 666 (emphasis added) (citations omitted).[3] In determining whether a proposed settlement is in the public interest, a district court ''must accord deference to the government's predictions about the efficacy of its remedies, and may not require that the remedies perfectly match the alleged violations.'' *SBC Commc'ns,* 489 F. Supp. 2d at 17; *see also US Airways,* 8 F. Supp. 3d at 75 (noting that a court should not reject the proposed remedies because it believes others are preferable); *Microsoft,* 56 F.3d at 1461 (noting the need for courts to be ''deferential to the government's predictions as to the effect of the proposed remedies''); *United States* v. *Archer-Daniels-Midland Co.,* 272 F. Supp. 2d 1, 6 (D.D.C. 2003) (noting that the court should grant due respect to the government's prediction as to the effect of proposed remedies, its perception of the market structure, and its views of the nature of the case).

Courts have greater flexibility in approving proposed consent decrees than in crafting their own decrees following a finding of liability in a litigated matter. ''[A] proposed decree must be approved even if it falls short of the remedy the court would impose on its own, as long as it falls within the range of acceptability or is 'within the reaches of public interest.' '' *United States* v. *Am. Tel. & Tel. Co.,* 552 F. Supp. 131, 151 (D.D.C. 1982) (citations omitted) (quoting *United States* v. *Gillette Co.,* 406 F. Supp. 713, 716 (D. Mass. 1975)), *aff'd sub nom. Maryland* v. *United States,* 460 U.S. 1001 (1983); *see also US Airways,* 38 F. Supp. 3d at 76 (noting that room must be made for the government to grant concessions in the negotiation process for settlements (citing *Microsoft,* 56 F.3d at 1461)); *United States* v. *Alcan Aluminum Ltd.,* 605 F. Supp. 619, 622 (W.D. Ky. 1985) (approving the consent decree even though the court would have imposed a greater remedy). To meet this standard, the United States ''need only provide a factual basis for concluding that the settlements are reasonably adequate remedies for the alleged harms.'' *SBC Commc'ns,* 489 F. Supp. 2d at 17.

Moreover, the court's role under the APPA is limited to reviewing the remedy in relationship to the violations that the United States has alleged in its Complaint and does not authorize the court to ''construct [its] own hypothetical case and then evaluate the decree against that case.'' *Microsoft,* 56 F.3d at 1459; *see also US Airways,* 38 F. Supp 3d at 75 (noting that the court must simply determine whether there is a factual foundation for the government's decisions such that its conclusions regarding the proposed settlements are reasonable); *InBev,* 2009 U.S. Dist. LEXIS 84787, at *20 (concluding that ''the 'public interest' is not to be measured by comparing the violations alleged in the complaint against those the court believes could have, or even should have, been alleged''). Because the ''court's authority to review the decree depends entirely on the government's exercising its prosecutorial discretion by bringing a case in the first place,'' it follows that ''the court is only authorized to review the decree itself,'' and not to ''effectively redraft the complaint'' to inquire into other matters that the United States did not pursue. *Microsoft,* 56 F.3d at 1459–60. As this Court confirmed in *SBC Communications,* courts ''cannot look beyond the complaint in making the public interest determination unless the complaint is drafted so narrowly as to make a mockery of judicial power.'' 489 F. Supp. 2d at 15.

In its 2004 amendments, Congress made clear its intent to preserve the practical benefits of utilizing consent decrees in antitrust enforcement, adding the unambiguous instruction that ''[n]othing in this section shall be construed to require the court to conduct an evidentiary hearing or to require the court to permit anyone to intervene.'' 15 U.S.C. 16(e)(2); *see also US Airways,* 38 F. Supp. 3d at 76 (indicating that a court is not required to hold an evidentiary hearing or to permit intervenors as part of its review under the Tunney Act). This language codified what Congress intended when it enacted the Tunney Act in 1974, as the author of this legislation, Senator Tunney explained: ''The court is nowhere compelled to go to trial or to engage in extended proceedings which might have the effect of vitiating the benefits of prompt and less costly settlement through the consent decree process.'' 119 Cong. Rec. 24,598 (1973) (statement of Sen. Tunney). Rather, the procedure for the public interest determination is left to the discretion of the court, with the recognition that the court's ''scope of review remains sharply proscribed by precedent and the nature of Tunney Act proceedings.''

[2] The 2004 amendments substituted ''shall'' for ''may'' in directing relevant factors for court to consider and amended the list of factors to focus on competitive considerations and to address potentially ambiguous judgment terms. *Compare* 15 U.S.C. 16(e) (2004), *with* 15 U.S.C. 16(e)(1) (2006); *see also SBC Commc'ns,* 489 F. Supp. 2d at 11 (concluding that the 2004 amendments ''effected minimal changes'' to Tunney Act review).

[3] *Cf. BNS,* 858 F.2d at 464 (holding that the court's ''ultimate authority under the [APPA] is limited to approving or disapproving the consent decree''); *United States* v. *Gillette Co.,* 406 F. Supp. 713, 716 (D. Mass. 1975) (noting that, in this way, the court is constrained to ''look at the overall picture not hypercritically, nor with a microscope, but with an artist's reducing glass''). *See generally Microsoft,* 56 F.3d at 1461 (discussing whether ''the remedies [obtained in the decree are] so inconsonant with the allegations charged as to fall outside of the 'reaches of the public interest' '').

SBC Commc'ns, 489 F. Supp. 2d at 11.[4] A court can make its public interest determination based on the competitive impact statement and response to public comments alone. *US Airways,* 38 F. Supp. 3d at 76.

VIII. DETERMINATIVE DOCUMENTS

There are no determinative materials or documents within the meaning of the APPA that were considered by the United States in formulating the proposed Final Judgment.

Dated: December 20, 2016

Respectfully submitted,

/s/

Gregg I. Malawer (D.C. Bar #481685),

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Attorney for the United States.

United States District Court for the District of Columbia

United States of America, Plaintiff, v. *AMC Entertainment Holdings, Inc., and Carmike Cinemas, Inc.,* Defendants.

Case No.: 1:16–cv–02475
Judge: Randolph D. Moss
Filed: 12/20/2016

[PROPOSED] FINAL JUDGMENT

WHEREAS, Plaintiff United States of America filed its Complaint on December 20, 2016 the United States and Defendants, AMC Entertainment Holdings, Inc. (''AMC'') and Carmike Cinemas, Inc. (''Carmike''), by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against or admission by any party regarding any issue of fact or law;

AND WHEREAS, Defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, the essence of this Final Judgment is the prompt and certain divestiture of certain rights or assets by the Defendants to assure that competition is not substantially lessened;

AND WHEREAS, Plaintiff requires Defendants to make certain divestitures, undertake certain actions, and refrain from certain conduct for the purpose of remedying the loss of competition alleged in the Complaint;

AND WHEREAS, Defendants have represented to Plaintiff that the divestitures required below can and will be made and the actions and conduct restrictions can and will be undertaken, and that Defendants will later raise no claim of hardship or difficulty as grounds for asking the Court to modify any of the divestiture and other remedy provisions contained below;

NOW THEREFORE, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is ORDERED, ADJUDGED AND DECREED:

I. JURISDICTION

This Court has jurisdiction over the subject matter of and each of the parties to this action. The Complaint states a claim upon which relief may be granted against Defendants under Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

II. DEFINITIONS

As used in this Final Judgment:

A. ''Acquirer'' or ''Acquirers'' means the entity or entities to which Defendants divest the Theatre Divestiture Assets.

B. ''AMC'' means AMC Entertainment Holdings, Inc., a Delaware corporation with its headquarters in Leawood, Kansas, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

C. ''Carmike'' means Carmike Cinemas, Inc., a Delaware corporation with its headquarters in Columbus, Georgia, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. ''NCM Divestiture Assets'' means that portion of Defendants' NCM Holdings required to be divested under this Final Judgment.

E. ''Initial Theatre Divestiture Assets'' means the theatre assets listed in Appendix A. The term ''Initial Theatre Divestiture Assets'' includes:

1. All tangible assets that comprise the business of operating theatres that exhibit movies, including, but not limited to, real property and improvements, research and development activities, all equipment, fixed assets, and fixtures, personal property, inventory, office furniture, materials, supplies, and other tangible property and all assets used in connection with the Initial Theatre Divestiture Assets; all licenses, permits, and authorizations issued by any governmental organization relating to the Initial Theatre Divestiture Assets; all contracts (including management contracts), teaming arrangements, agreements, leases, commitments, certifications, and understandings relating to the Initial Theatre Divestiture Assets, including supply agreements (provided however, that supply agreements that apply to all of each Defendant's theatres may be excluded from the Initial Theatre Divestiture Assets, subject to the transitional agreement provisions specified in Section IV(F)); all customer lists (including rewards and loyalty club data at the option of the Acquirer(s), copies of which may be retained by Defendants at their option), contracts, accounts, and credit records relating to the Initial Theatre Divestiture Assets; all repair and performance records and all other records relating to the Initial Theatre Divestiture Assets; and

2. All intangible assets relating to the operation of the Initial Theatre Divestiture Assets, including, but not limited, to all patents, licenses and sublicenses, intellectual property, copyrights, trademarks, trade names, service marks, service names, (provided, however, that the names Carmike, AMC, and any registered service marks of Carmike or AMC may be excluded from the Initial Theatre Divestiture Assets, subject to the transitional agreement provisions specified in Section IV(F)), technical information, computer software and related documentation (provided, however, that Defendants' proprietary software may be excluded from the Initial Theatre Divestiture Assets, subject to the transitional agreement provisions specified in Section IV(F)), know-how and trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, specifications for parts and devices, safety procedures for the handling of materials and substances, all research data concerning historic and current research and development, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information Carmike or AMC provide to their own employees, customers,

[4] *See also United States* v. *Enova Corp.,* 107 F. Supp. 2d 10, 17 (D.D.C. 2000) (noting that the ''Tunney Act expressly allows the court to make its public interest determination on the basis of the competitive impact statement and response to comments alone''); *United States* v. *Mid-Am. Dairymen, Inc.,* No. 73–CV–681–W–1, 1977–1 Trade Cas. (CCH) ¶ 61,508, at 71,980, *22 (W.D. Mo. 1977) (''Absent a showing of corrupt failure of the government to discharge its duty, the Court, in making its public interest finding, should . . . carefully consider the explanations of the government in the competitive impact statement and its responses to comments in order to determine whether those explanations are reasonable under the circumstances.''); S. Rep. No. 93–298, at 6 (1973) (''Where the public interest can be meaningfully evaluated simply on the basis of briefs and oral arguments, that is the approach that should be utilized.'').

suppliers, agents, or licensees (except for the employee manuals that Carmike or AMC provide to all its employees), and all research data concerning historic and current research and development.

F. ''Screen Transfer Theatres'' means the theatres listed in Appendix B.

G. ''Screen Transfer Divestiture Assets'' means any Screen Transfer Theatres that Defendants must divest pursuant to Section XI(B) of this Final Judgment due to Defendants' failure to fully effect the screen transfers required by Section XI(A). The term ''Screen Transfer Divestiture Assets'' also includes for any such Screen Transfer Theatre:

1. All tangible assets that comprise the business of operating theatres that exhibit movies, including, but not limited to, real property and improvements, research and development activities, all equipment, fixed assets, and fixtures, personal property, inventory, office furniture, materials, supplies, and other tangible property and all assets used in connection with the Screen Transfer Divestiture Assets; all licenses, permits, and authorizations issued by any governmental organization relating to the Screen Transfer Divestiture Assets; all contracts (including management contracts), teaming arrangements, agreements, leases, commitments, certifications, and understandings relating to the Screen Transfer Divestiture Assets, including supply agreements (provided, however, that supply agreements that apply to all of each Defendant's theatres may be excluded from the Screen Transfer Divestiture Assets, subject to the transitional agreement provisions specified in Section IV(F)); all customer lists (including rewards and loyalty club data at the option of the Acquirer(s), copies of which may be retained by Defendants at their option), contracts, accounts, and credit records relating to the Screen Transfer Divestiture Assets; all repair and performance records and all other records relating to the Screen Transfer Divestiture Assets; and

2. All intangible assets relating to the operation of the Screen Transfer Divestiture Assets, including, but not limited to, all patents, licenses and sublicenses, intellectual property, copyrights, trademarks, trade names, service marks, service names, (provided, however, that the names Carmike and AMC, and any registered service marks of Carmike and AMC may be excluded from the Screen Transfer Divestiture Assets, subject to the transitional agreement provisions specified in Section IV(F)), technical information, computer software and related documentation (provided, however, that Defendants' proprietary software may be excluded from the Screen Transfer Divestiture Assets, subject to the transitional agreement provisions specified in Section IV(F)), know-how and trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, specifications for parts and devices, safety procedures for the handling of materials and substances, all research data concerning historic and current research and development, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information Carmike or AMC provide to their own employees, customers, suppliers, agents, or licensees (except for the employee manuals that Carmike or AMC provide to all its employees), and all research data concerning historic and current research and development.

H. ''Theatre Divestiture Assets'' means the Initial Theatre Divestiture Assets and the Screen Transfer Divestiture Assets.

I. ''Landlord Consent'' means any contractual approval or consent that the landlord or owner of one or more of the Theatre Divestiture Assets, or of the property on which one or more of the Theatre Divestiture Assets is situated, must grant prior to the transfer of one of the Theatre Divestiture Assets to an Acquirer.

J. ''NCM'' means National CineMedia, LLC, a Delaware limited liability company together with National CineMedia, Inc., headquartered in Centennial, Colorado, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

K. ''NCM Holdings'' means any equity interest of NCM that AMC owns or controls, directly or indirectly, of NCM, whether voting or nonvoting.

L. ''Competitively Sensitive Information'' means all non-public information, provided, disclosed, or otherwise made available to the Defendants by NCM or Screenvision, including but not limited to, information related to: (i) Current or future business plans; (ii) technological tests or initiatives; (iii) investments, finances or budgets; (iv) pricing; (v) information related to other movie theatre exhibitors; (vi) terms and conditions (including but not limited to fees or prices) of any actual or prospective contract, agreement, understanding, or relationship concerning the exhibition of first-run commercial movies or preshow and cinema advertising services, to specific or identifiable customers or classes of groups of customers; or (vii) the existence of any such prospective contract, agreement, understanding, or relationship, as well as any proprietary customer information.

M. ''Person'' means any natural person, corporation, association, firm, partnership, or other business or legal entity.

N. ''Screenvision'' means, SV Holdco, LLC, a Delaware limited liability company, headquartered in New York, New York, and the subsidiary it owns and operates, Screenvision Exhibition, Inc., its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

III. APPLICABILITY

A. This Final Judgment applies to AMC and Carmike, as defined above, and all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

B. If, prior to complying with Sections IV, VI, VII or XI of this Final Judgment, Defendants sell or otherwise dispose of all or substantially all of their assets or of lesser business units that include the Theatre Divestiture Assets or NCM Divestiture Assets, they shall require the purchaser to be bound by the provisions of this Final Judgment. Defendants need not obtain such an agreement from the Acquirer(s) of the assets divested pursuant to this Final Judgment.

IV. DIVESTITURES OF THEATRES

A. Defendants are ordered and directed, within sixty (60) calendar days after the filing of the Complaint in this matter, or five (5) calendar days after notice of entry of this Final Judgment by the Court, whichever is later, to divest the Initial Theatre Divestiture Assets in a manner consistent with this Final Judgment to one or more Acquirer(s) acceptable to the United States in its sole discretion. The United States, in its sole discretion, may agree to one or more extensions of this time period, not to exceed sixty (60) calendar days in total, and shall notify the Court in such circumstances. Defendants agree to use their best efforts to divest the Initial Theatre Divestiture Assets as expeditiously as possible.

B. If Defendants fail to accomplish the screen transfer required by Section XI(A) below for any Screen Transfer Theatre, Defendants are ordered and directed, within sixty (60) calendar days after the expiration of the transfer period provided for in Section XI(A), and any extensions to that period

granted by the United States, to divest the Screen Transfer Divestiture Assets in a manner consistent with this Final Judgment to one or more Acquirer(s) acceptable to the United States in its sole discretion. The United States, in its sole discretion, may agree to one or more extensions of this time period, not to exceed ninety (90) calendar days in total, and shall notify the Court in such circumstances. Defendants agree to use their best efforts to divest the Screen Transfer Divestiture Assets as expeditiously as possible. Defendants shall not divest the Screen Transfer Divestiture Assets to any Acquirer that contracts with NCM to provide pre-show and cinema advertising services. Such Screen Transfer Theatres must be divested free and clear of any contracts with NCM to provide pre-show and cinema advertising services.

C. In accomplishing the divestitures ordered by this Final Judgment, Defendants promptly shall make known, by usual and customary means, the availability of the Theatre Divestiture Assets. Defendants shall inform any person making an inquiry regarding a possible purchase of the Theatre Divestiture Assets that they are being divested pursuant to this Final Judgment and provide that person with a copy of this Final Judgment. Defendants shall offer to furnish to all prospective Acquirers, subject to customary confidentiality assurances, all information and documents relating to the Theatre Divestiture Assets customarily provided in a due diligence process except such information or documents subject to the attorney-client privilege or work-product doctrine. Defendants shall make available such information to the United States at the same time that such information is made available to any other person.

D. Defendants shall provide the Acquirer(s) and the United States information relating to the personnel involved in the operation and management of the applicable Theatre Divestiture Assets to enable the Acquirer(s) to make offers of employment. Defendants shall not interfere with any negotiations by the Acquirer(s) to employ or contract with any employee of any Defendant whose primary responsibility relates to the operation or management of the applicable Theatre Divestiture Assets being sold to the Acquirer(s).

E. Defendants shall permit prospective Acquirer(s) of the Theatre Divestiture Assets to have reasonable access to personnel and to make inspections of the physical facilities of the Theatre Divestiture Assets; access to any and all environmental, zoning, and other permit documents and information; and access to any and all financial, operational, or other documents and information customarily provided as part of a due diligence process.

F. In connection with the divestiture of the Theatre Divestiture Assets, at the option of the Acquirer(s), Defendants shall enter into a transitional supply, service, support, and use agreement (''transitional agreement''), of up to 120 days in length, for the supply of any goods, services, support, including software service and support, and reasonable use of the names AMC and Carmike, and any registered service marks of AMC or Carmike, that the Acquirer(s) request for the operation of the Theatre Divestiture Assets, during the period covered by the transitional agreement. At the request of the Acquirer(s), the United States in its sole discretion may agree to one or more extensions of this time period not to exceed six (6) months in total. The terms and conditions of the transitional agreement must be acceptable to the United States in its sole discretion. The transitional agreement shall be deemed incorporated into this Final Judgment and a failure by Defendants to comply with any of the terms or conditions of the transitional agreement shall constitute a failure to comply with this Final Judgment.

G. Defendants shall warrant to the Acquirer(s) of the Theatre Divestiture Assets that each asset will be operational on the date of sale.

H. Defendants shall not take any action that will impede in any way the permitting, operation, or divestiture of the Theatre Divestiture Assets.

I. Defendants shall warrant to the Acquirer(s) that there are no material defects in the environmental, zoning, or other permits pertaining to the operation of the Theatre Divestiture Assets. Following the sale of the Theatre Divestiture Assets, Defendants will not undertake, directly or indirectly, any challenges to the environmental, zoning, or other permits relating to the operation of the Theatre Divestiture Assets.

J. Unless the United States otherwise consents in writing, the divestitures made pursuant to Section IV(A) and IV(B), or by a Divestiture Trustee appointed pursuant to Section VI of this Final Judgment, shall include the entire Theatre Divestiture Assets, and shall be accomplished in such a way as to satisfy the United States, in its sole discretion that the Theatre Divestiture Assets can and will be used by the Acquirer(s) as part of a viable, ongoing business of operating theatres that exhibit primarily first-run, commercial movies. Divestiture of the Theatre Divestiture Assets may be made to one or more Acquirers, provided that in each instance it is demonstrated to the sole satisfaction of the United States that the Theatre Divestiture Assets will remain viable and the divestiture of such assets will remedy the competitive harm alleged in the Complaint. The divestitures, whether pursuant to Section IV (A), IV (B), or VI of this Final Judgment,

(1) shall be made to Acquirers that, in the United States' sole judgment have the intent and capability (including the necessary managerial, operational, technical, and financial capability) of competing effectively in the business of theatres exhibiting primarily first-run, commercial movies; and

(2) shall be accomplished so as to satisfy the United States, in its sole discretion, that none of the terms of any agreement between Acquirers and Defendants gives Defendants the ability unreasonably to raise the Acquirers' costs, to lower the Acquirers' efficiency, or otherwise to interfere in the ability of any Acquirer to compete effectively.

K. If Defendants are unable to effect any of the divestitures required herein due to the inability to obtain the Landlord Consent for any of the Theatre Divestiture Assets, Defendants shall divest alternative theatre assets that compete effectively with the theatre or theatres for which the Landlord Consent was not obtained. The United States shall, in its sole discretion, determine whether such theatre assets compete effectively with the theatres for which Landlord Consent was not obtained.

L. Within five (5) business days following a determination that Landlord Consent cannot be obtained for any of the Theatre Divestiture Assets, Defendants shall notify the United States, and Defendants shall propose an alternative divestiture pursuant to Section IV(K). The United States shall have then ten (10) business days in which to determine whether such theatre assets are a suitable alternative pursuant to Section IV(K). If Defendants' selection is deemed not to be a suitable alternative, the United States shall in its sole discretion select alternative theatre assets to be divested from among those theatre(s) that the United States has determined, in its sole discretion, compete effectively with the theatre(s) for which Landlord Consent was not obtained.

M. If a Divestiture Trustee is responsible for effecting divestiture of the Theatre Divestiture Assets, it shall notify the United States and Defendants within five (5) business days following a determination that Landlord Consent

cannot be obtained for one or more of the Theatre Divestiture Assets. Defendants shall thereafter have five (5) business days to propose an alternative divestiture pursuant to Section IV(K). The United States shall then have ten (10) business days to determine whether the proposed theatre assets are a suitable competitive alternative pursuant to Section IV(K). If Defendants' selection is deemed not to be a suitable competitive alternative, the United States shall in its sole discretion select alternative theatre assets to be divested from among those theatre(s) that the United States has determined, in its sole discretion, compete effectively with the theatre(s) for which Landlord Consent was not obtained.

V. NOTICE OF PROPOSED THEATRE DIVESTITURES

A. Within two (2) business days following execution of a definitive divestiture agreement, Defendants or the Divestiture Trustee, whoever is then responsible for effecting the divestitures required herein, shall notify the United States of any proposed divestitures required by Sections IV(A), IV(B), and VI of this Final Judgment. If the Divestiture Trustee is responsible, it shall similarly notify Defendants. The notice shall set forth the details of the proposed divestitures and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the Theatre Divestiture Assets, together with full details of the same.

B. Within fifteen (15) calendar days of receipt by the United States of such notice, the United States, in its sole discretion, may request from Defendants, the proposed Acquirer(s), any other third party, or the Divestiture Trustee, if applicable, additional information concerning the proposed divestitures, the proposed Acquirer(s), and any other potential Acquirer(s). Defendants and the Divestiture Trustee shall furnish any additional information requested to the United States within fifteen (15) calendar days of receipt of the request, unless the parties otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the United States has been provided the additional information requested from Defendants, the proposed Acquirer(s), any third party, and the Divestiture Trustee, whichever is later, the United States shall provide written notice to Defendants, and the Divestiture Trustee, if there is one, stating whether it objects to the proposed divestitures. If the United States provides written notice that it does not object, the divestitures may be consummated, subject only to the Defendants' limited right to object to the sale under Section VI(C) of this Final Judgment. Absent written notice that the United States does not object to the proposed Acquirer(s) or upon objection by the United States, a divestiture proposed under Section IV(A), IV(B), or VI shall not be consummated. Upon objection by Defendants under Section VI(C), a divestiture proposed under Section VI shall not be consummated unless approved by the Court.

VI. APPOINTMENT OF TRUSTEE FOR THEATRE DIVESTITURES

A. If Defendants have not divested the Theatre Divestiture Assets within the time period specified in Section IV(A) and IV(B), respectively, Defendants shall notify the United States of that fact in writing, specifically identifying the Theatre Divestiture Assets that have not been divested. Upon application of the United States, the Court shall appoint a Divestiture Trustee selected by the United States and approved by the Court to effect the divestiture of the applicable Theatre Divestiture Assets.

B. After the appointment of a Divestiture Trustee becomes effective, only the Divestiture Trustee shall have the right to sell the applicable Theatre Divestiture Assets. The Divestiture Trustee shall have the power and authority to accomplish the divestitures to Acquirer(s) acceptable to the United States at such price and on such terms as are then obtainable upon reasonable effort by the Divestiture Trustee, subject to the provisions of Sections IV, V, VI VIII, IX, and XIV, of this Final Judgment, and shall have such other powers as this Court deems appropriate. Subject to Section VI (D) of this Final Judgment, the Divestiture Trustee may hire at the cost and expense of Defendants any investment bankers, attorneys, or other agents, who shall be solely accountable to the Divestiture Trustee and reasonably necessary in the Divestiture Trustee's judgment to assist in the divestiture(s). Any such investment bankers, attorneys, or other agents shall serve on such terms and conditions as the United States approves, including confidentiality requirements and conflict of interest certifications.

C. Defendants shall not object to a sale by the Divestiture Trustee on any ground other than the Divestiture Trustee's malfeasance. Any such objections by Defendants must be conveyed in writing to the United States and the Divestiture Trustee within ten (10) calendar days after the Divestiture Trustee has provided the notice required under Section V.

D. The Divestiture Trustee shall serve at the cost and expense of Defendants pursuant to a written agreement, on such terms and conditions as the United States approves, including confidentiality requirements and conflict of interest certifications. The Divestiture Trustee shall account for all monies derived from the sale of the applicable Theatre Divestiture Assets, and all costs and expenses so incurred. After approval by the Court of the Divestiture Trustee's accounting, including fees for its services yet unpaid and those of any professionals and agents retained by the Divestiture Trustee, all remaining money shall be paid to Defendants and the trust shall then be terminated. The compensation of the Divestiture Trustee and any professionals and agents retained by the Divestiture Trustee shall be reasonable in light of the value of the Theatre Divestiture Assets subject to sale by the Divestiture Trustee and based on a fee arrangement providing the Divestiture Trustee with an incentive based on the price and terms of the divestitures and the speed with which they are accomplished, but timeliness is paramount. If the Divestiture Trustee and Defendants are unable to reach agreement on the Divestiture Trustee's or any agents' or consultants' compensation or other terms and conditions of engagement within 14 calendar days of appointment of the Divestiture Trustee, the United States may, in its sole discretion, take appropriate action, including making a recommendation to the Court. The Divestiture Trustee shall, within three (3) business days of hiring any other professionals or agents, provide written notice of such hiring and the rate of compensation to Defendants and the United States.

E. Defendants shall use their best efforts to assist the Divestiture Trustee in accomplishing the required divestitures. The Divestiture Trustee and any consultants, accountants, attorneys, and other persons retained by the Divestiture Trustee shall have full and complete access to the personnel, books, records, and facilities of the assets and business to be divested, and Defendants shall develop financial and other information relevant to such assets and business as the Divestiture Trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information or any applicable privileges. Defendants shall take no

action to interfere with or to impede the Divestiture Trustee's accomplishment of the divestitures.

F. After its appointment, the Divestiture Trustee shall file monthly reports with the parties and the Court setting forth the Divestiture Trustee's efforts to accomplish the divestitures ordered under this Final Judgment. To the extent such reports contain information that the Divestiture Trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Theatre Divestiture Assets, and shall describe in detail each contact with any such person. The Divestiture Trustee shall maintain full records of all efforts made to divest the Theatre Divestiture Assets.

G. If the Divestiture Trustee has not accomplished the divestitures ordered under this Final Judgment within six (6) months after its appointment, the Divestiture Trustee shall promptly file with the Court a report setting forth (1) the Divestiture Trustee's efforts to accomplish the required divestitures, (2) the reasons, in the Divestiture Trustee's judgment, why the required divestitures have not been accomplished, and (3) the Divestiture Trustee's recommendations. To the extent such reports contain information that the Divestiture Trustee deems confidential, such reports shall not be filed in the public docket of the Court. The Divestiture Trustee shall at the same time furnish such report to the United States, which shall have the right to make additional recommendations consistent with the purpose of the trust. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the Divestiture Trustee's appointment by a period requested by the United States.

H. If the United States determines that the Divestiture Trustee has ceased to act or failed to act diligently or in a reasonably cost-effective manner, it may recommend the Court appoint a substitute Divestiture Trustee.

VII. DIVESTITURE OF NCM HOLDINGS

A. Defendants are hereby ordered and directed, in accordance with the terms of this Final Judgment, on or before June 20, 2019, to divest that portion of the NCM Holdings sufficient to cause Defendants to own no more than 4.99 percent of the outstanding shares of NCM on a fully converted basis (the ''NCM Divestiture Assets''). Defendants must divest the NCM Divestiture Assets on the following schedule: (i) On or before twelve (12) months from the date of the filing of the Complaint in this matter that portion of the NCM Holdings sufficient to cause Defendants to own no more than 15 percent of all outstanding shares of NCM on a fully converted basis, (ii) on or before twenty-four (24) months from the date of the filing of the Complaint in this matter that portion of the NCM Holdings sufficient to cause Defendants to own no more than 7.5 percent of all outstanding shares of NCM on a fully converted basis; and (iii) on or before June 20, 2019 that portion of the NCM Holdings sufficient to cause Defendants to own no more than 4.99 percent of all outstanding shares of NCM on a fully converted basis. The United States, in its sole discretion, may agree to one or more extensions of this time period, not to exceed sixty (60) calendar days in total, and shall notify the Court in such circumstances.

B. Defendants are enjoined and restrained from the date of the filing of the Complaint in this matter from acquiring, directly or indirectly, any additional NCM Holdings except to the extent an NCM annual audience attendance adjustment or an acquisition of a movie theatre or movie theatre chain results in Defendants' NCM Holdings exceeding the thresholds set forth in Section VII (A). To the extent an NCM annual audience attendance adjustment or an acquisition of a movie theatre or movie theatre chain results in Defendants' NCM Holdings' exceeding the thresholds set forth in Section VII (A), then Defendants shall have 90 days from the date their NCM Holdings exceed the applicable threshold in Section VII (A) to sell down their NCM Holdings so that their NCM Holdings comply with the applicable threshold. The United States, in its sole discretion, may agree to one or more extensions of this time period, not to exceed 60 calendar days in total, and shall notify the Court in such circumstances.

C. The divestitures required by Section VII(A) may be made by open market sale, public offering, private sale, repurchase by NCM, or a combination thereof. Such divestitures shall not be made by private sale or placement to any person who provides pre-show and cinema advertising services other than NCM unless the United States, in its sole discretion, shall otherwise agree in writing.

VIII. FINANCING

Defendants shall not finance all or any part of any purchase made pursuant to Sections IV or VII of this Final Judgment.

IX. HOLD SEPARATE

Until the divestitures of the Theatre Divestiture Assets required by this Final Judgment have been accomplished, Defendants shall take all steps necessary to comply with the Hold Separate Stipulation and Order entered by this Court. Defendants shall take no action that would jeopardize the divestitures ordered by this Court.

X. NCM PROHIBITED CONDUCT

A. From the date of the filing of the Complaint in this matter, Defendants are enjoined and restrained, directly or indirectly, from holding any governance rights in NCM, including any seats on NCM's Board of Directors and from exercising any voting rights in NCM.

B. From the date of the filing the Complaint in this matter, Defendants are enjoined and restrained, directly or indirectly, from:

1. Suggesting, individually or as part of a group, any candidate for election to NCM's Board of Directors, or having any officer, director, manager, employee, or agent serve as an officer, director, manager, employee, or in a comparable position with or for NCM;

2. Using or attempting to use any ownership interest in NCM to exert any influence over NCM in the conduct of NCM's business, including but not limited to, NCM's strategies regarding the pricing of NCM's services;

3. Using or attempting to use any rights or duties under any advertising agreement or relationship between Defendants and NCM (including any rights or duties Defendants may have as a customer of NCM), to influence NCM in the conduct of NCM's business with respect to any Person other than AMC;

4. Participating in, being present at, or receiving any notes, minutes, or agendas of, information from, or any documents distributed in connection with, any nonpublic meeting of NCM's Board of Directors or any committee thereof, or any other governing body of NCM. For purposes of this provision, the term ''meeting'' includes any action taken by consent of the relevant directors in lieu of a meeting;

5. Voting or permitting to be voted any NCM shares that Defendants own unless the United States, in its sole discretion, otherwise consents in writing;

6. Communicating to or receiving from any officer, director, manager, employee, or agent of NCM any nonpublic information regarding any aspect of Defendants' or NCM's business, including any plans or proposals with respect thereto; and

7. Proposing to any officer, director, manager, employee, or agent of NCM that NCM merge with, acquire, or sell itself to another Person.

C. Nothing in this Section, however, is intended to prevent: (i) Defendants from procuring preshow and cinema advertising services from NCM, including receiving necessary non-public information from NCM in the context of the Defendants' customer relationship regarding the same, or to prevent NCM from providing pre-show and cinema advertising services to Defendants, including providing necessary non-public information to Defendants in the context of NCM's vendor relationship regarding the same; (ii) joint promotions between NCM and Defendants and communications regarding the provision or procurement of pre-show and cinema advertising services from NCM or Defendants, respectively; (iii) Defendants from hiring NCM personnel or NCM from hiring Defendants personnel (provided that such personnel are not simultaneously employed or otherwise affiliated with NCM or Defendants, respectively); and (iv) nonpublic communications regarding industry-wide issues or possible potential business transactions between the two companies provided that such communications do not violate the antitrust laws or any other applicable law or regulation.

XI. TRANSFER OF NCM–ALIGNED THEATRE SCREENS

A. Defendants are hereby ordered and directed, within sixty (60) calendar days of the filing of the Complaint in this matter, to (i) implement, use, and continuously display Screenvision pre-show services and cinema advertising at the Screen Transfer Theatres for the term of this Final Judgment; and (ii) discontinue and permanently remove NCM pre-show services and cinema advertising at the Screen Transfer Theatres for the term of this Final Judgment. The United States, in its sole discretion, may agree to one or more extensions of this time period, not to exceed sixty (60) days in total, and shall notify the Court in such circumstances.

B. If Defendants do not effectuate the implementation of Screenvision pre-show services and cinema advertising at any Screen Transfer Theatre and the termination, if applicable, of any NCM pre-show services and cinema advertising at that Screen Transfer Theatre during the time period set forth in Section XI(A) (including any extensions to that time period granted pursuant to that Section), then Defendants are ordered and directed to divest that Screen Transfer Theatre pursuant to the terms of Section IV(B) of this Final Judgment. For the avoidance of doubt, the Screen Transfer Theatres that Defendants must divest pursuant to this paragraph are referred to herein as the ''Screen Transfer Divestiture Assets.''

XII. FIREWALLS

A. Defendants shall implement and maintain reasonable procedures to prevent (i) the sharing of Competitively Sensitive Information between Defendants and NCM except as necessary to administer an exhibitor services agreement or exhibition agreement between NCM and Defendants to supply preshow and cinema advertising services; (ii) the sharing of Competitively Sensitive Information between Defendants and Screenvision except as necessary to administer an exhibitor services agreement or exhibition agreement between Screenvision and Defendants to supply preshow and cinema advertising services; (iii) the sharing of Competitively Sensitive Information or otherwise serving as a conduit to share Competitively Sensitive Information between NCM and Screenvision; and (iv) Defendants from obtaining through their ownership or governance position at Screenvision or NCM any Competitively Sensitive Information of or about the business of any movie theatre exhibitor other than Defendants.

B. Defendants shall, within thirty (30) calendar days of the Court's entry of the Hold Separate Stipulation and Order, submit to the United States a document setting forth in detail the procedures implemented to effect compliance with this Section. The United States shall notify Defendants within ten (10) business days whether it approves of or rejects Defendants' compliance plan, in its sole discretion.

C. In the event Defendants' compliance plan is rejected, the reasons for the rejection shall be provided to Defendants and Defendants shall be given the opportunity to submit, within ten (10) business days of receiving the notice of rejection, a revised compliance plan. If the parties cannot agree on a compliance plan, the United States shall have the right to request that the Court rule on whether Defendants' proposed compliance plan is reasonable.

D. Defendants may at any time submit to the United States evidence relating to the actual operation of any firewall in support of a request to modify any firewall set forth in this Section. In determining whether it would be appropriate for the United States to consent to modify the firewall, the United States, in its sole discretion, shall consider the need to protect NCM, Screenvision, or movie theatre exhibitor Competitively Sensitive Information and the impact the firewall has had on Defendants' ability to efficiently support the theatrical exhibition of movies.

XIII. COMPLIANCE PROGRAM

A. Defendants shall maintain a compliance program that shall include designating, within thirty (30) days of the entry of this Final Judgment, a Compliance Officer with responsibility for achieving compliance with this Final Judgment. The Compliance Officer shall, on a continuing basis, supervise the review of current and proposed activities to ensure compliance with this Final Judgment. The Compliance Officer shall be responsible for accomplishing the following activities:

(1) Distributing, within thirty (30) days of the entry of this Final Judgment, a copy of this Final Judgment to all of Defendants' officers, directors, or any company employee or manager with management responsibility or oversight of theatrical exhibition and preshowcinema advertising services;

(2) Distributing, within thirty (30) days of succession, a copy of this Final Judgment to any Person who succeeds to a position described in Section XIII(A)(1); and

(3) Obtaining within sixty (60) days from the entry of this Final Judgment, and once within each calendar year after the year in which this Final Judgment is entered, and retaining for the term of this Final Judgment, a written certification from each Person designated in Sections XIII(A)(1) and XIII(A)(2) that he or she: (a) Has received, read, understands, and agrees to abide by the terms of this Final Judgment; (b) understands that failure to comply with this Final Judgment may result in conviction for criminal contempt of court; and (c) is not aware of any violation of the Final Judgment. Copies of such written certifications are to be promptly provided to the U.S. Department of Justice, Antitrust Division.

B. Within sixty (60) days of the entry of this Final Judgment, Defendants shall certify to the United States that they have (1) designated a Compliance Officer, specifying his or her name, business address and telephone number; and (2) distributed the Final Judgment in accordance with Section XIII(A)(1).

C. If any of Defendants' directors or officers or the Compliance Officer learns of any violation of this Final Judgment, Defendants shall within ten (10) business days provide to the U.S. Department of Justice, Antitrust Division a written detailed description of the nature of the violation with the names, titles, and company affiliation of each person involved.

XIV. AFFIDAVITS

A. Within twenty (20) calendar days of the filing of the Complaint in this matter, and every thirty (30) calendar days thereafter until the divestitures and screen transfers have been completed

under Sections IV(A), IV(B), VI, VII, and XI. Defendants shall deliver to the United States an affidavit as to the fact and manner of its compliance with Sections IV (A), IV (B), VI, VII, and XI of this Final Judgment. Each such affidavit pertaining to Sections IV (A), IV (B), and VI shall include the name, address, and telephone number of each person who, during the preceding thirty (30) calendar days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Theatre Divestiture Assets, and shall describe in detail each contact with any such person during that period. Each such affidavit pertaining to Sections IV(A), IV(B), and VI shall also include a description of the efforts Defendants have taken to solicit buyers for and complete the sale of the Theatre Divestiture Assets, and to provide required information to prospective Acquirers, including the limitations, if any, on such information. Each such affidavit shall also describe the fact and manner of Defendants' compliance with Section XI (A) and the arrangements Defendants have made to complete the required screen transfers in a timely fashion. Assuming the information set forth in the affidavit is true and complete, any objection by the United States to information provided by Defendants, including limitations on information, shall be made within fourteen (14) calendar days of receipt of each such affidavit.

B. Within twenty (20) calendar days of the filing of the Complaint in this matter, Defendants shall deliver to the United States an affidavit that describes in reasonable detail all actions taken and all steps implemented on an ongoing basis to comply with Section IX of this Final Judgment. Defendants shall deliver to the United States an affidavit describing any changes to the efforts and actions outlined in their earlier affidavits filed pursuant to this section within fifteen (15) calendar days after the change is implemented.

C. Defendants shall notify the United States no less than sixty (60) calendar days prior to the expiration of each of the deadlines for divesting the NCM Divestiture Assets identified in Section VII (A) of the arrangements Defendants have made to complete such divestitures in a timely fashion. Defendants shall no later than five (5) calendar days after each of the deadlines identified in Section VII(A) deliver to the United States an affidavit as to the fact and manner of its compliance with Section VII(A).

D. For the term of this Final Judgment, on or before each annual anniversary of the date of the filing of the Complaint in this matter, Defendants shall file with the United States a statement as to the fact and manner of its compliance with the provisions of Sections VII (B), X, and XII, including a statement of the percentage of all outstanding shares of NCM owned by Defendants and a description of any violations of Sections VII (B), X, and XII.

E. Defendants shall keep all records of all efforts made to preserve and divest the Theatre Divestiture Assets and the NCM Divestiture Assets until one year after such divestitures have been completed.

XV. COMPLIANCE INSPECTION

A. For the purposes of determining or securing compliance with this Final Judgment or of any related orders such as the Hold Separate Stipulation and Order, or of determining whether the Final Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time authorized representatives of the United States Department of Justice, including consultants and other persons retained by the United States, shall, upon written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to Defendants, be permitted:

(1) access during Defendants' office hours to inspect and copy, or at the option of the United States, to require Defendants to provide hard copy or electronic copies of, all books, ledgers, accounts, records, data, and documents in the possession, custody, or control of Defendants, relating to any matters contained in this Final Judgment; and

(2) to interview, either informally or on the record, Defendants' officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by Defendants.

B. Upon the written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, Defendants shall submit written reports or responses to written interrogatories, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained by the means provided in this section shall be divulged by the United States to any person other than an authorized representative of the executive branch of the United States, except in the course of legal proceedings to which the United States is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by Defendants to the United States, Defendants represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure, and Defendants mark each pertinent page of such material, ''Subject to claim of protection under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure,'' then the United States shall give Defendants ten (10) calendar days notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding).

XVI. NO REACQUISITION

Defendants may not reacquire any part of the Theatre Divestiture Assets or the NCM Divestiture Assets during the term of this Final Judgment.

XVII. RETENTION OF JURISDICTION

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

XVIII. EXPIRATION OF FINAL JUDGMENT

Unless this Court grants an extension, this Final Judgment shall expire ten (10) years from the date of its entry.

XIX. PUBLIC INTEREST DETERMINATION

Entry of this Final Judgment is in the public interest. The parties have complied with the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. 16, including making copies available to the public of this Final Judgment, the Competitive Impact Statement, and any comments thereon and the United States' responses to comments. Based upon the record before the Court, which includes the Competitive Impact Statement and any comments and response to comments filed with the Court, entry of this Final Judgment is in the public interest.

Date: _____, 201__

Court approval subject to procedures of Antitrust Procedures and Penalties Act, 15 U.S.C. 16.

_____

United States District Judge

APPENDIX A

	Theatre(s)	Address
1	AMC Festival Plaza 16 **OR** Carmike Chantilly 13 Big D	7925 Vaughn Rd., Montgomery, AL 36116. 10477 Chantilly Pkwy, Montgomery, AL 36117.
2	AMC Destin Commons 14 **OR** Carmike Boulevard 10 Big D	Destin Commons, 4000 Legendary Dr., Destin, FL 32541. 465 Grand Blvd., Miramar Beach, FL 32550.
3	AMC Orange Park 24 **OR** Carmike Fleming Island 12	Orange Park Mall, 1910 Wells Rd., Orange Park, FL 32073. 1820 Town Center Blvd., Fleming Island, FL 32003.
4	AMC Avenue Forsyth 12 **OR** Carmike Movies 400 12	The Collection at Forsyth, 350 Peachtree Pkwy, Cumming, GA 30041. 415 Atlanta Rd., Cumming, GA 30040.
5	AMC Stonecrest Mall 16 **OR** Carmike Conyers Crossroads 16	Ashley Stewart, 8060 Mall Pkwy, Lithonia, GA 30038. 1536 Dogwood Dr. SE., Conyers, GA 30013.
6	AMC Crestwood 18 **OR** Carmike Digiplex Lansing 8	13221 Rivercrest Dr., Crestwood, IL 60445. 16621 Torrence Ave., Lansing, IL 60438.
7	AMC Normal 14 **OR** Carmike Ovation Cinema 10	201 McKnight St., Normal, IL 61761. 415 Detroit Dr., Bloomington, IL 61704.
8	(AMC Pekin 14) **OR** (Carmike Sunnyland 10 and Carmike Grand Prairie 18).	1124 Edgewater Dr., Pekin, IL 61554. Washington Plaza, 40 Sunnyland Plaza, Washington, IL 61571. 5311 West American Prairie Dr., Peoria, IL 61615.
9	AMC Inver Grove **OR** Carmike Oakdale 20	5567 Bishop Ave., Inver Grove Heights, MN 55076. 1188 Helmo Ave. N, Oakdale, MN 55128.
10	(AMC Coon Rapids and AMC Arbor Lakes 16) **OR** (Carmike Wynnsong 15).	10051 Woodcrest Dr. NW., Coon Rapids, MN 55433. 12575 Elm Creek Blvd. N, Maple Grove, MN 55311. 2430 County Hwy 10, Mounds View, MN 55112.
11	AMC Rockaway 16 **OR** Carmike Digiplex Sparta 3	363 Mt Hope Ave., Rockaway, NJ 07866. 25 Centre St., Sparta Township, NJ 07871.
12	(AMC Mountainside 10) **OR** (Carmike Digiplex Rialto Westfield 6 and Carmike Digiplex Cranford 5).	1021 Route 22, Mountainside, NJ 07092. 250 East Broad St., Westfield, NJ 07090. 25 North Ave. W., Cranford NJ 07016.
13	AMC Lawton 12 **OR** Carmike Patriot 13	200 SW., C Ave., Lawton, OK 73501. 2803 NW., 67th St., Lawton, OK 73505.
14	(AMC Tilghman Square 8) **OR** (Carmike Promenade 16 + IMAX and Carmike 16).	Tilghman Square, 4608 Broadway, Allentown, PA 18104. 2805 Center Valley Pkwy, Center Valley, PA 18034. 1700 Catasauqua Rd., Allentown, PA 18109.
15	AMC Fitchburg 18 **OR** Sundance Carmike Madison	6091 McKee Rd., Fitchburg, WI 53719. 430 North Midvale Blvd., Madison, WI 53705.

APPENDIX B

	Theatres	Address
1	AMC Barrett Commons 24	2600 Cobb Pl. Ln. NW., Kennesaw, GA 30144.
2	AMC Colonial 18	Lawrenceville Market Shopping Center, 825 Lawrenceville-Suwanee Rd., Lawrenceville, GA 30043.
3	AMC Crossroads Mall 16	1211 E Interstate 240 Service Rd., Oklahoma City, OK 73149.
4	AMC Dublin Village 18	Dublin Village Center, 6700 Village Pkwy, Dublin, OH 43017.
5	AMC Dutch Square 14	Dutch Square Mall, 421 Bush River Rd. #80, Columbia, SC 29210.
6	AMC Showplace Naperville 16	2815 Show Place Dr., Naperville, IL 60564.
7	AMC Newport On the Levee 20	Newport on the Levee, Levy, 1 Levee Way #4100, Newport, KY 41071.
8	AMC Starplex Rio Grande 10	4586 E. US Hwy 83, Rio Grande City, TX 78582.
9	AMC Southpoint 17	The Streets at Southpoint, 8030 Renaissance Pkwy, Durham, NC 27713.
10	AMC Loews Waterfront 22	300 W. Waterfront Dr., West Homestead, PA 15120.
11	Sundance Kabuki	1881 Post St., San Francisco, CA 94115.
12	Sundance Cinemas Houston	Bayou Place, 510 Texas Ave., Houston, TX 77002.
13	Sundance Cinemas Seattle	4500 9th Ave. NE., Seattle, WA 98105.
14	Sundance Sunset Cinema	8000 Sunset, 8000 Sunset Blvd., Los Angeles, CA 90046.
15	Sundance Carmike Madison *	430 North Midvale Blvd., Madison, WI 53705.
16	AMC Dine-in Theatres Buckhead 6	Georgia Atlanta Tower Place, Tower Place, 3340 Peachtree Rd NE., Atlanta, GA 30326.
17	AMC Easton Town Center 30 with Dine-in Theatres & IMAX	Easton Town Center, 275 Easton Station, Columbus, OH 43219.
18	AMC Dine-in Theatres Esplanade 14	2515 E Camelback Rd., Phoenix, AZ 85016.
19	AMC Grapevine Mills 30 with Dine-in Theatres	Grapevine Mills, 3150 Grapevine Mills Pkwy, Grapevine, TX 76051.
20	AMC Mesquite 30 with Dine-in Theatres	19919 Lyndon B Johnson Fwy, Mesquite, TX 75149.
21	AMC Dine-in Theatres Southlands 16 Featuring Red Kitchen	23955 E Plaza Ave., Aurora, CO 80016.
22	AMC Dine-in Theatres West Olive 16	12657 Olive Blvd., Creve Couer, MO 63141.
23	AMC Lawton 12 *	200 SW C Ave., Lawton, OK 73501.

APPENDIX B—Continued

	Theatres	Address
24	AMC Dine-in Theatres Yorktown 18	Yorktown Center, 80 Yorktown Shopping Center, Lombard, IL 60148.

* Transferred to the Screenvision network only to the extent AMC retains these theatres.

[FR Doc. 2016–31652 Filed 12–29–16; 8:45 am]

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DEPARTMENT OF JUSTICE

Antitrust Division

United States v. Clear Channel Outdoor Holdings, Inc., et al.; Proposed Final Judgment and Competitive Impact Statement

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. 16(b)–(h), that a proposed Final Judgment, Asset Preservation Stipulation and Order, and Competitive Impact Statement have been filed with the United States District Court for the District of Columbia in *United States of America* v. *Clear Channel Outdoor Holdings, Inc.,* Civil Action No. 1:16–cv–02497. On December 22, 2016, the United States filed a Complaint alleging that a proposed transaction between Clear Channel Outdoor Holdings, Inc. and Fairway Media Group, LLC would violate Section 7 of the Clayton Act, 15 U.S.C. 18. The proposed Final Judgment, filed at the same time as the Complaint, resolves the case by requiring Clear Channel and Fairway to divest certain billboards in Atlanta, Georgia, and Indianapolis, Indiana.

Copies of the Complaint, proposed Final Judgment, and Competitive Impact Statement are available for inspection on the Antitrust Division's Web site at *http://www.justice.gov/atr* and at the Office of the Clerk of the United States District Court for the District of Columbia. Copies of these materials may be obtained from the Antitrust Division upon request and payment of the copying fee set by Department of Justice regulations.

Public comment is invited within 60 days of the date of this notice. Such comments, including the name of the submitter, and responses thereto, will be posted on the Antitrust Division's Web site, filed with the Court, and, under certain circumstances, published in the **Federal Register**. Comments should be directed to Owen M. Kendler, Acting Chief, Litigation III Section, Antitrust Division, Department of Justice, 450 Fifth Street NW., Suite 4000, Washington, DC 20530 (telephone: 202–305–8376).

Patricia A. Brink,

Director of Civil Enforcement.

United States District Court for the District of Columbia

United States of America, Department of Justice, Antitrust Division, 450 Fifth Street NW., Suite 7000, Washington, DC 20530, Plaintiff, v. *Clear Channel Outdoor Holdings, Inc., 200 East Basse Road, Suite 100, San Antonio, TX 78209,* and *Fairway Media Group, LLC, 3801 Capital City Blvd., Lansing, MI 48906,* Defendants.

Case No.: 1:16–cv–02497
Judge: Randolph D. Moss
Filed: 12/22/2016

COMPLAINT

The United States of America (''Plaintiff''), acting under the direction of the Attorney General of the United States, brings this civil action to enjoin the transaction between Defendants Clear Channel Outdoor Holdings, Inc. (''Clear Channel'') and Fairway Media Group, LLC (''Fairway'') and to obtain other equitable relief.

I. NATURE OF THE ACTION

1. Clear Channel and Fairway sell outdoor advertising on billboards to local and national customers in numerous metropolitan areas throughout the United States. Among other metropolitan areas, they compete head-to-head to sell advertising on billboards that are located in Indianapolis, Indiana and Atlanta, Georgia (collectively, the ''Metropolitan Markets''). Within each of the Metropolitan Markets, Clear Channel and Fairway own and operate billboards that are located in close proximity to each other and therefore constitute attractive competitive alternatives for advertisers that seek to advertise on billboards in those specific areas.

2. On March 3, 2016, Clear Channel and Fairway entered into an asset exchange pursuant to which Clear Channel would acquire certain Fairway billboards located in Atlanta and Fairway would acquire certain Clear Channel billboards located in Indianapolis, along with billboards in other metropolitan areas.

3. If consummated, the proposed transaction would eliminate the substantial head-to-head competition between Clear Channel and Fairway within each of the Metropolitan Markets. Head-to-head competition between Clear Channel and Fairway billboards that are located in close proximity to each other in each of the Metropolitan Markets has benefitted advertisers through lower prices and better services. The proposed transaction threatens to end that competition in these areas in violation of Section 7 of the Clayton Act, 15 U.S.C. 18, and should be enjoined.

II. JURISDICTION, VENUE, AND COMMERCE

4. The United States brings this action pursuant to Section 15 of the Clayton Act, as amended, 15 U.S.C. 25, to prevent and restrain Defendants from violating Section 7 of the Clayton Act, 15 U.S.C. 18.

5. The Court has subject matter jurisdiction over this action pursuant to Section 15 of the Clayton Act, 15 U.S.C. 25, and 28 U.S.C. 1331, 1337(a), and 1345.

6. Defendants are engaged in interstate commerce and in activities substantially affecting interstate commerce. They each own and operate billboards in various locations throughout the United States and sell outdoor advertising in the geographic areas where their billboards are located. Their sale of advertising on billboards has had a substantial effect upon interstate commerce.

7. Defendants have consented to venue and personal jurisdiction in this district. Venue is also proper in this district under Section 12 of the Clayton Act, 15 U.S.C. 22, and 28 U.S.C. 1391(c).

III. THE DEFENDANTS AND THE TRANSACTION

8. Clear Channel is a Delaware corporation, with its corporate headquarters in San Antonio, Texas. Clear Channel is one of the largest outdoor advertising companies in the United States. Clear Channel reported consolidated revenues of over $2.8 billion in 2015. As of December 31, 2015, Clear Channel owned or operated more than 650,000 outdoor advertising displays worldwide. It owns and operates billboards in each of the Metropolitan Markets.