

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

**COMMISSIONERS: Robert Pitofsky, Chairman
Sheila F. Anthony
Mozelle W. Thompson
Orson Swindle
Thomas B. Leary**

In the Matter of

COMPUTER SCIENCES CORPORATION,
a corporation,

and

MYND CORPORATION,
a corporation.

DOCKET NO. C-3991

DECISION AND ORDER

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition by Computer Sciences Corporation of all the voting securities of Mynd Corporation; and

Computer Sciences Corporation and Mynd Corporation (collectively, “respondents”) having been furnished thereafter with a draft of Complaint that the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

The respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders (“Consent Agreement”), containing an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having thereupon issued its Complaint and an Order to Maintain Assets, and having accepted the executed Consent Agreement and placed such Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby makes the following jurisdictional findings and issues the following Order:

1. Computer Sciences Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of Nevada, with its office and principal place of business located at 2100 East Grand Avenue, El Segundo, California 90245.
2. Mynd Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of South Carolina, with its office and principal place of business located at One Mynd Center, Blythewood, South Carolina 29016. Mynd Corporation was formerly known as Policy Management Systems Corporation.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

- A. “CSC” means Computer Sciences Corporation, its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups and affiliates controlled by Computer Sciences Corporation, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. “Mynd” means Mynd Corporation, its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups and affiliates controlled by Mynd Corporation, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- C. "Respondents" means CSC and Mynd.
- D. “ISO” means Insurance Services Office, Incorporated, a Delaware corporation with principal place of business at 7 World Trade Center, New York, New York.

- E. “Neuronworks” means
1. Neuronworks Pty., Ltd., an Australian Company Limited By Shares (ACN No. 078 304 088) with principal place of business at Suite 1, Level 2, 10 Cross Street, Hurtsville, New South Wales, Australia 2220, and
 2. Paul Beinat, Nicholas Townsend, Barry Hornery, and Graham Bartholomew.
- F. “Acquirer” means ISO or any other Person that acquires the Assets To Be Divested pursuant to this Order.
- G. “Acquisition Date” means the date, if any, on which CSC first acquires any voting securities or assets of Mynd.
- H. “Assets To Be Divested” means all of Mynd’s rights, titles, and interests in assets, tangible and intangible, relating to the Mynd Claims Assessment Systems Business, regardless of whether such assets relate exclusively to such business and regardless of where such business or assets are located worldwide, including, but not limited to:
1. Specified Tangible Assets and other tangible assets;
 2. all intellectual property, inventions, technology, trademarks, trade names, brand names, formulations, specifications, contractual rights, patents, patent applications, trade secrets, copyrights, know-how, research materials, technical information, marketing and distribution information, customer lists, prospect lists, vendor lists, catalogs, sales promotion literature, advertising materials, information stored in management information systems (and specifications sufficient for the Acquirer to use such information), software, designs, drawings, processes, production information, manufacturing information, integration information, testing and quality control data;
 3. all rights, titles and interests in and to contracts (subject to Paragraph II.C.9.);
 4. all rights under warranties and guarantees, express or implied; and
 5. all books, records and files (subject to Paragraph II.C.10.).

Provided that the definition of “Assets To Be Divested” shall not include (i) Specified Tangible Assets that do not relate exclusively to the Mynd Claims Assessment Systems Business, (ii) the “Mynd” names and/or trademarks, (iii) the “Policy Management Systems Corporation” names and/or trademarks, (iv) the “Mynd Asia Pacific” names and/or trademarks, and (v) catalogs, sales promotion literature, advertising materials, and marketing

and distribution information relating exclusively to software packages known as “RiskMaster” and as “Litigation Advisor.”

- I. “Claims Assessment Systems” means computer software and other intellectual property used by insurance companies and others to evaluate appropriate payments for claims for bodily injury or to evaluate return-to-work plans in workers compensation claims, including, but not limited to, the software packages known as Claims Outcome Advisor and Colossus.
- J. “Commission” means the Federal Trade Commission.
- K. “Confidential Information” means trade secrets and other proprietary information to be conveyed to the Acquirer pursuant to this Order.
- L. “CSC Claims Assessment Systems Business” means the research, development, manufacture, marketing, distribution, sale, license, customer support, and maintenance of Claims Assessment Systems by CSC.
- M. "Divestiture Agreement" means the ISO Divestiture Agreement or any other agreement or agreements pursuant to which Respondents, or a trustee, divest the Assets to Be Divested pursuant to this Order.
- N. “Divestiture Date” means the date that the Respondents divest the Assets to be divested to the Acquirer.
- O. “ISO Divestiture Agreement” means the following agreements (including all exhibits and other documents referenced in those agreements, or attached thereto):
 - 1. Asset Purchase Agreement dated December 1, 2000, between Mynd and ISO,
 - 2. Patent Covenant Not to Sue Agreement dated December 1, 2000, among Respondents, ISO, and Neuronworks,
 - 3. Release and Settlement Agreement dated December 1, 2000, between Respondents and Neuronworks,
 - 4. Limited License Agreement dated December 1, 2000, between Mynd and ISO,
 - 5. Limited Services Agreement (including Work Order No. 1) dated December 1, 2000, between Mynd and ISO,
 - 6. Bill of Sale, Assignment and Assumption Agreement dated December 1, 2000, between Mynd and ISO, and

7. Amendment to the above agreements dated December 1, 2000, between Respondents and ISO.

- P. "Key Employees" means Linda Neely, Carol Garren, Lee Everett Fogle, Andrew M. Blume, Marvin E. Jones, Anthony Mattioli, Eva Turner, Terry Tuttle, Earl Knaus, Pete Askins, Donna L. Crapps, Kellie Lynette Gobble, Deborah L. Rivers, Michael T. Rivers, Nancy G. Roddy, Clarence Leroy Royson, Ronald Everett Summer, Douglas J. Zellner, Mary Kathryn Evans, Sandra R. Harrington, Harriet Louise Hobbs, Jacqueline Suzann Parker, Patty Ann Yingling, Kelly Gardner, Sharleen Craig, Angela Martin, David Smart, Tracy Shadbolt, Michael Dixon, Justin Goodwin, Philip Tench, Simon Bradshaw, Bryan Harries, Simon Powell, and Mark Strang.
- Q. "Mynd Claims Assessment Systems Business" means the research, development, manufacture, marketing, distribution, sale, license, customer support, and maintenance of Claims Assessment Systems by Mynd, but does not include assets relating exclusively to software packages known as "RiskMaster" and as "Litigation Advisor."
- R. "Person" means any natural person, partnership, corporation, company, association, trust, joint venture or other business or legal entity, including any governmental agency.
- S. "Persons with Access to Confidential Information" means all natural persons who provided services to Mynd at any time since January 1, 1998, whether as employees, consultants, contractors, or in any other capacity, and who had access to any Confidential Information.
- T. "Specified Tangible Assets" means buildings, plants, manufacturing operations, machinery, fixtures, equipment, vehicles, transportation facilities, furniture, tools, inventory, and owned or leased real property (including any improvements, appurtenances, licenses and permits relating to such real property), but does not mean any intangible assets, such as computer software and other intellectual property, imbedded in such tangible assets.

II.

IT IS FURTHER ORDERED that:

- A. No later than ten (10) days after the Acquisition Date, Respondents shall divest to ISO, absolutely, and in good faith, at no minimum price, the Assets To Be Divested as an on-going business. The ISO Divestiture Agreement shall be incorporated into this Order and made a part hereof as Confidential Appendix B, and shall not be construed to vary from or contradict the terms of this Order. Any failure to comply with the terms of the ISO Divestiture Agreement shall constitute a violation of this Order.
Provided, however, if, at the time the Commission makes the Order final, the Commission determines that ISO is not an acceptable acquirer or that the ISO Divestiture Agreement is

not an acceptable manner of divestiture, Respondents shall, within three (3) months of the date Respondents receive notice of such determination from the Commission, divest the Assets To Be Divested absolutely and in good faith, at no minimum price, as an on-going business, to an acquirer that receives the prior approval of the Commission and only in a manner that receives the prior approval of the Commission.

- B. If Respondents have divested the Assets To Be Divested to ISO prior to the date this Order becomes final, and if the Commission notifies Respondents that ISO is not an acceptable acquirer or that the ISO Divestiture Agreement is not an acceptable manner of divestiture, then Respondents shall, within three (3) business days, rescind the transaction with ISO, and shall divest the Assets To Be Divested in accordance with the proviso to Paragraph II.A. of this Order.
- C. Respondents shall divest the Assets To Be Divested on the following terms, in addition to others that may be required by this Order and by the Divestiture Agreement, and shall agree with the Acquirer to do the following:
1. Respondents shall place no restrictions on the use by the Acquirer of any of the assets of the Assets To Be Divested.
 2. Respondents shall take no action to restrict the ability of Neuronworks to do business with the Acquirer or the ability of the Acquirer to do business with Neuronworks. Respondents shall agree to the dismissal with prejudice of all of CSC's litigation against Neuronworks, and shall not make any other claim against Neuronworks for its acts prior to the Divestiture Date.
Provided, however, that, if any Person other than Respondents makes a claim against Respondents and such claim arises out of a misappropriation, misuse, or other improper use by Neuronworks of that Person's intellectual property, Respondents may seek indemnification from Neuronworks for any liability resulting from such claim.
 3. Respondents shall release, hold harmless, and indemnify the Acquirer from liability for any past, current, or future claims arising out of Mynd's or Neuronworks' acts prior to the Divestiture Date related to Claims Outcome Advisor.
 4. Respondents shall not assign Persons with Access to Confidential Information to the CSC Claims Assessment Systems Business until at least two (2) years after the Divestiture Date. Respondents shall require that, as a condition of continued employment with Respondents after the Divestiture Date, any Persons with Access to Confidential Information shall immediately enter into agreements with the Acquirer not to disclose any Confidential Information to Respondents or to any third party. To permit the Acquirer to protect the confidentiality of intellectual property conveyed to it, Respondents shall assign to the Acquirer (to the extent assignable) such rights under contracts between Mynd and Persons with Access to Confidential Information as require such persons to

preserve the confidentiality of Confidential Information. To the extent that such agreements are not assignable, Respondents shall enforce such confidentiality provisions at the request and expense, and with the assistance of, the Acquirer.

5. Respondents shall not accept, nor seek to obtain, any Confidential Information from any Persons with Access to Confidential Information.
6. Respondents shall allow the Acquirer to inspect the personnel files and other documentation relating to each Key Employee, to the extent permissible under applicable laws, no later than twenty (20) days before the Divestiture Date. Respondents shall take reasonable steps from the date Respondents execute the Agreement Containing Consent Orders to cause the Key Employees to accept offers of employment from the Acquirer. For a period of at least two (2) years following the Divestiture Date, Respondents shall not hire or solicit Key Employees who accept such offers unless the employees have been terminated by the Acquirer. Respondents shall not offer incentives, other than those contained in existing benefit programs, to Key Employees to stay with Respondents. Respondents shall not enforce any covenants not to compete preexisting the Divestiture Date against any Key Employees who accept employment with the Acquirer, except to the extent that competition from such employees is entirely unrelated to their employment with the Acquirer.
7. Respondents shall not enforce any covenants not to compete preexisting the Divestiture Date against any current or former employees of Mynd, or against any consultants, contractors, or other Persons who provided services to the Mynd Claims Assessment Systems Business, in a manner that would prevent those employees or Persons from providing services to the Acquirer in the field of Claims Assessment Systems.
8. Respondents shall not enforce against current or former employees of Mynd, or against any consultants, contractors, or other Persons who provided services to the Mynd Claims Assessment Systems Business, any contractual requirements that would prevent those employees or Persons from disclosing to the Acquirer any information to be conveyed to the Acquirer pursuant to this Order.
9. Notwithstanding any other provision of this Paragraph II, should the transfer of any contract listed in Confidential Appendix A not be possible, despite best efforts by Respondents, due to a person other than Respondents withholding its consent to the transfer, Respondents shall enter into an agreement with the Acquirer the purpose of which agreement is to realize the same effect as such transfer. The terms of such agreement with the Acquirer shall be at least as favorable to the Acquirer as the contract to be transferred is favorable to Respondents.
10. Notwithstanding any other provision of this Paragraph II, Respondents may redact from books, records, and files conveyed to the Acquirer information that does not pertain to

the Mynd Claims Assessment Systems Business. Respondents may retain copies of the books, records, and files conveyed to the Acquirer if they also pertain to businesses other than the Mynd Claims Assessment Systems Business, provided that Respondents redact from the retained copies all information pertaining solely to the Mynd Claims Assessment Systems Business. Provided further that counsel for Respondents may retain, for the limited purpose of preparing reports to the Securities and Exchange Commission and other government agencies, unredacted copies of books, records, and files to be conveyed to the Acquirer, but only if such counsel maintains the confidentiality of any information pertaining to the Mynd Claims Assessment Systems Business (except to the extent that such information must be reported to government agencies).

- D. The purpose of Paragraph II of this Order is to ensure the continuation of the Assets To Be Divested as, or as part of, ongoing viable enterprises engaged in the same business in which such assets were engaged at the time of the announcement of the Acquisition by Respondents and to remedy the lessening of competition alleged in the Commission's complaint.

III.

IT IS FURTHER ORDERED that:

- A. If Respondents have not divested, absolutely and in good faith and with the Commission's prior approval, the Assets To Be Divested within the time and in the manner required by Paragraph II of this Order, the Commission may appoint a trustee to divest those assets. In the event that the Commission or the Attorney General brings an action pursuant to Section 5(l) of the Federal Trade Commission Act, 15 U.S.C. § 45(l), or any other statute enforced by the Commission, Respondents shall consent to the appointment of a trustee in such action. Neither the appointment of a trustee nor a decision not to appoint a trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed trustee, pursuant to Section 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by Respondents to comply with this Order.
- B. If a trustee is appointed by the Commission or a court pursuant to Paragraph III.A. of this Order, Respondents shall consent to the following terms and conditions regarding the trustee's powers, duties, authority, and responsibilities:
1. The Commission shall select the trustee, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed trustee within ten (10) days after receipt of written notice by the staff of the Commission to

Respondents of the identity of any proposed trustee, Respondents shall be deemed to have consented to the selection of the proposed trustee.

2. Subject to the prior approval of the Commission, the trustee shall have the exclusive power and authority to divest the Assets To Be Divested.
3. Within ten (10) days after appointment of the trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission and, in the case of a court-appointed trustee, of the court, transfers to the trustee all rights and powers necessary to permit the trustee to effect each divestiture required by this Order.
4. The trustee shall have twelve (12) months from the date the Commission or court approves the trust agreement described in Paragraph III.B.3. to accomplish the divestitures. If, however, at the end of the twelve-month period, the trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Commission, or, in the case of a court-appointed trustee, by the court; provided, however, the Commission may extend the period for no more than two (2) additional periods of twelve (12) months each.
5. The trustee shall have full and complete access to the personnel, books, records, and facilities related to the Assets To Be Divested or to any other relevant information, as the trustee may request. Respondents shall develop such financial or other information as such trustee may reasonably request and shall cooperate with the trustee. Respondents shall take no action to interfere with or impede the trustee's accomplishment of the divestitures. Any delays in divestiture caused by Respondents shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed trustee, by the court.
6. The trustee shall use his or her best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest expeditiously at no minimum price. The divestitures shall be made only in a manner that receives the prior approval of the Commission, and only to an acquirer that receives the prior approval of the Commission. Provided, however, if the trustee receives bona fide offers for an asset to be divested from more than one acquiring entity, and if the Commission determines to approve more than one such acquiring entity, the trustee shall divest such asset to the acquiring entity or entities selected by CSC from among those approved by the Commission; provided further, however, that CSC shall select such entity within five (5) days of receiving notification of the Commission's approval.
7. The trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as the Commission

or a court may set. The trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the trustee's duties and responsibilities. The trustee shall account for all monies derived from the divestitures and all expenses incurred. After approval by the Commission and, in the case of a court-appointed trustee, by the court, of the account of the trustee, including fees for his or her services, all remaining monies shall be paid at the direction of Respondents, and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent on the trustee's divesting the Assets To Be Divested.

8. Respondents shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for or defense of any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.
9. If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in Paragraph III.A. of this Order.
10. The Commission or, in the case of a court-appointed trustee, the court, may on its own initiative or at the request of the trustee issue such additional orders or directions as may be necessary or appropriate to accomplish divestitures required by this Order.
11. The trustee shall have no obligation or authority to operate or maintain the Assets To Be Divested.
12. The trustee shall report in writing to the Commission every sixty (60) days concerning the trustee's efforts to accomplish the divestitures required by this Order.

IV.

IT IS FURTHER ORDERED that:

- A. Within sixty (60) days after the date this Order becomes final and every sixty (60) days thereafter until they have fully complied with its obligations under Paragraphs II.A., II.B. and III of this Order, each Respondent shall submit to the Commission a verified written report setting forth in detail the manner and form in which it intends to comply, is complying, and has complied with Paragraphs II and III of this Order and with the Order to Maintain Assets. Respondents shall include in such compliance reports, among other things that are required

from time to time, a full description of the efforts being made to comply with Paragraphs II and III of the Order, including a description of all substantive contacts or negotiations for the divestiture and the identity of all parties contacted. Respondents shall include in their compliance reports copies of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning divestiture.

- B. One (1) year from the date this Order becomes final, annually for the next nine (9) years on the anniversary of the date this Order is entered, and at such other times as the Commission may require, each Respondent shall file a verified written report with the Commission setting forth in detail the manner and form in which it has complied and is complying with this Order.

V.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in the corporate Respondents such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of this Order.

VI.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, upon written request, Respondents shall permit any duly authorized representative of the Commission:

- A. Access, during office hours and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Respondents relating to any matters contained in this Order; and

- B. Upon five (5) days' notice to Respondents and without restraint or interference from them, to interview officers, directors, employees, agents or independent contractors of Respondents, who may have counsel present, relating to any matters contained in this Order.

VII.

IT IS FURTHER ORDERED that this Order will terminate on January 26, 2011.

By the Commission.

Donald S. Clark
Secretary

SEAL:
ISSUED: January 26, 2001

CONFIDENTIAL APPENDICES A AND B

[Redacted from Public Record Version]