UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Andrew N. Ferguson, Chairman**
Mark R. Meador

In the Matter of	)	
Beretta Holding S.A., a **privately-held corporation.**	)	**DECISION AND ORDER**
	)	Docket No. C

DECISION

The Federal Trade Commission ("Commission") initiated an investigation of a proposed acquisition by Respondent Beretta Holding S.A. ("Respondent"), a subsidiary of Upifra S.A., of voting securities of Sturm, Ruger & Company, Inc. The Commission's Bureau of Competition prepared and furnished to Respondent the Draft Complaint, which it proposed to present to the Commission for its consideration. If issued by the Commission, the Draft Complaint would charge Respondent with violations of Section 8 of the Clayton Act, as amended, 15 U.S.C. § 19, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

Respondent and the Bureau of Competition executed an Agreement Containing Consent Order ("Consent Agreement") containing (1) an admission by Respondent of the jurisdictional facts set forth in the Draft Complaint, (2) a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by Respondent that the law has been violated as alleged in the Draft Complaint, or that the facts as alleged in the Draft Complaint, other than jurisdictional facts, are true, (3) waivers and other provisions as required by the Commission's Rules, and (4) a proposed Decision and Order.

The Commission considered the matter and determined that it had reason to believe that Respondent has violated said Acts, and that a complaint should issue stating its charges in that respect. The Commission accepted the Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. The Commission duly considered any comments received from interested persons pursuant to Commission Rule 2.34, 16 C.F.R. § 2.34. Now, in further conformity with the procedure described in Rule 2.34, the Commission makes the following jurisdictional findings:

1. Respondent Beretta Holding S.A. is a privately held corporation organized, existing, and doing business under and by virtue of the laws of the Grand Duchy of Luxembourg with its executive offices and principal place of business located at 9, Rue Ste Zithe, L-2763 Luxembourg City, Grand Duchy of Luxembourg.

2. The Commission has jurisdiction over the subject matter of this proceeding and over Respondent, and the proceeding is in the public interest.

ORDER

I. Definitions

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

A. "Beretta Holding" or "Respondent" means Beretta Holding S.A., its directors, officers, employees, agents, successors, and assigns; and the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Beretta Holding, S.A., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

B. "Ruger" means Sturm, Ruger & Company, Inc., a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware with its executive offices and principal place of business located at 1 Lacey Place, Fairfield, Connecticut, 06890.

C. "Immediate Family Member" means a person's spouse, parents, children, siblings, mothers- and fathers-in law, sons- and daughters-in-laws, brothers- and sisters-in-laws, and anyone, other than domestic employees, who shares such persons' home. Immediate Family Member does not include individuals who are no longer immediate family members as a result of legal separation or divorce or those who have died or become incapacitated.

D. "Independent Director" means a person:

   1. who is not included within a Relevant Person or an Immediate Family Member of a person within a Relevant Person;

   2. who in the three previous years has not been: (a) an employee, officer, director, representative or agent of Relevant Person; (b) in receipt of direct or indirect compensation from a Relevant Person; (c) a partner or employee of a firm that is a Relevant Person's internal or external auditor; and

3. who does not have a Material Relationship with a Relevant Person, anyone within

a Relevant Person, or an Immediate Family Member of any person included within a Relevant Person.

E. "Material Relationship" means a familial, personal, financial, contractual, professional, employment, or any other relationship that would reasonably be expected to impair the objectivity of the Independent Director's judgment when participating as a director of Ruger.

F. "Nonpublic Information" means all information that is not in the public domain, including customer lists, price lists, strategic plans, contracts, expansion projects, cost information, marketing methods, competitively sensitive data or information, and all other information not available to the public.

G. "Relating To" means in whole or in part constituting, containing, concerning, discussing, describing, analyzing, identifying, stating, or in any way pertaining to.

H. "Relevant Person" means Respondent Beretta Holding and Upifra, as defined in I.I.

I. "Upifra" means Upifra S.A., its directors, officers, employees, agents, successors, and assigns; and the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates controlled by Upifra S.A., including Beretta Holding, S.A., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

II. Independent Director

IT IS FURTHER ORDERED that:

A. Respondent shall not, directly or indirectly, including through its parent, appoint, nominate, or otherwise cause any person to be appointed or nominated to serve on the board of directors of Ruger unless such person is an Independent Director.

B. Respondent shall provide advance written notice to the Commission at least 15 days before appointing, designating, nominating, electing, or otherwise causing any person to become a member of the board of directors of Ruger. Such notice shall be sent to designated Commission staff and bccompliance@ftc.gov.

C. Respondent shall not, directly or indirectly, including through its parent, hire or enter into any financial or other relationship with any Independent Director nominated by Respondent and appointed to the board of directors of Ruger pursuant to Paragraph II.A that would: (1) involve violating the Independent Director's fiduciary duty, or (2) involve the exchange of Nonpublic Information received about Ruger to a Relevant Person, until such Independent Director has ceased serving on the board of directors of Ruger for a period of 1 year.

D. Respondent shall not directly or indirectly, including through its parent, seek, receive, or attempt to receive from any Independent Director appointed pursuant to Paragraph II.A, Ruger's Nonpublic Information.

III. Order Distribution

IT IS FURTHER ORDERED that:

A. No later than 10 days after this Order is issued, Respondent shall send a copy of this Order, the Complaint, and the Analysis to Aid Public Comment by electronic mail with delivery confirmation to, or through any electronic portal customarily used for dissemination of documents to members of any of Respondent's boards of directors and officers; and

B. For a period of 5 years after this Order is issued, Respondent shall send a copy of this Order, the Complaint, and the Analysis to Aid Public Comment by electronic mail with delivery confirmation to, or through any electronic portal customarily used for dissemination of documents to each new board member, officer, and director no later than 10 days after an individual becomes a board member, officer, or director of Respondent.

IV. Compliance Reports

IT IS FURTHER ORDERED that Respondent shall submit verified written reports ("compliance reports") in accordance with the following:

A. Respondent shall submit:

1. Interim compliance reports 30 days and 90 days after this Order is issued;

2. Annual compliance reports one year after the date this Order is issued and annually thereafter for the next four years on the anniversary of that date, verifying that Respondent is in compliance with the Order.

B. Each compliance report shall contain sufficient information and documentation to enable the Commission to determine independently whether Respondent is in compliance with the Order. Conclusory statements that Respondent has complied with its obligations under the Order are insufficient. Respondent shall include in its report, among other information or documentation that may be necessary to demonstrate compliance, a full description of the measures Respondent has implemented or plans to implement to ensure that it has complied or will comply with each section of this Order.

C. For a period of 1 year after filing a compliance report, Respondent shall retain all material written communications with each party identified in each compliance report and all non-privileged internal memoranda, reports, and recommendations concerning fulfilling Respondent's obligations under this Order during the period covered by such compliance report. Respondent shall provide copies of these documents to Commission staff upon request.

D. Respondent shall have each compliance report verified under penalty of perjury in the

manner set forth in 28 U.S.C. § 1746 by the Chief Executive Officer of Respondent or another officer or employee, including the General Manager of Respondent, specifically authorized to perform this function. If the compliance report is verified by someone other than the Chief Executive Officer or the General Manager of Respondent, Respondent shall include documentation in the compliance report establishing that the verifier is authorized to verify the compliance report on behalf of Respondent.

V. Change in Respondent

IT IS FURTHER ORDERED that Respondent shall notify the Commission at least 30 days prior to:

A. The dissolution of Beretta Holding S.A.; or

B. The proposed acquisition, merger, or consolidation of Beretta Holding S.A.; or

C. Any other change in Respondent, including assignment and the creation, sale, or dissolution of subsidiaries, if such changes may affect compliance obligations arising out of the Order.

VI. Access

IT IS FURTHER ORDERED that for purposes of determining or securing compliance with this Order, and subject to any legally recognized privilege, upon written request and 10 days' notice to Respondent made to its principal place of business as identified in this Order, the notified Respondent shall, without restraint or interference, permit any duly authorized representative of the Commission:

A. Access, during business office hours of Respondent and in the presence of counsel, to all facilities and access to inspect and copy all business and other records and all documentary material and electronically stored information as defined in Commission Rules 2.7(a)(1) and (2), 16 C.F.R. § 2.7(a)(1) and (2), in the possession or under the control of the Respondent related to compliance with this Order, which copying services shall be provided by Respondent at the request of the authorized representative of the Commission and at the expense of Respondent; and

B. To interview officers or directors of Respondent with knowledge of the matters set forth in this Order, who may have counsel present, regarding such matters.

VII. Term

IT IS FURTHER ORDERED that this Order shall terminate 5 years from the date it is issued.

By the Commission.

April Tabor
Secretary

SEAL

ISSUED: