

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 6th day of ~~July~~^{August} 1997, by and between the State of New York ("New York" or "Plaintiff") by Dennis C. Vacco, Attorney General, and The Procter & Gamble Company ("P & G").

WHEREAS, New York will file a Complaint against P & G for damages and injunctive relief on its own behalf and as parens patriae on behalf of all natural persons residing in New York who during 1995 to 1997, the Complaint will allege, would have redeemed manufacturers' coupons on their purchases of Grocery Products from retailers in Western New York that would have been issued but for an alleged conspiracy; and the Complaint will allege that P & G participated in an unlawful agreement to eliminate or reduce the number of coupons issued in Western New York in violation of federal and state antitrust laws; and P & G denies the allegations of the Complaint;

WHEREAS, the parties agree that this Settlement Agreement shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by P & G or of the truth of any of the claims or matters alleged in New York's Complaint;

WHEREAS, this Settlement Agreement is the result of arm's length negotiations, and New York considers this Settlement Agreement to be fair, reasonable, adequate and in

the best interests of the parens patriae group;

WHEREAS, the parties have determined it to be in their best interests to resolve this dispute:

I. DEFINITIONS

For purposes of this Settlement Agreement, the following terms have the following meanings:

(a) "Coupon" means a coupon to be redeemed by a consumer;

(b) "FSI coupon" means a coupon issued (or "dropped") by a manufacturer and published in a free standing insert distributed with a newspaper;

(c) "Grocery Products" means food and non-food items typically sold by supermarkets and other grocery retailers;

(d) "Manufacturer Defendants" means all the manufacturers that will be named defendants in New York's Complaint;

(e) "Settling Defendants" means the following manufacturers: P & G, The Clorox Company, Colgate-Palmolive Company, S.C. Johnson & Son, Inc., Conopco, Inc., The Dial Corporation, DowBrands, L.P., The Pillsbury Company, James River Paper Company, Inc. and Reckitt & Colman Inc.;

(f) "Parens patriae group" means all natural persons residing in New York State who purchased Grocery Products from retailers in Western New York at any time prior to the effective date of this Settlement Agreement;

(g) "Settlement Fund Account" means an interest-bearing escrow account established by New York and administered by a Trustee appointed pursuant to Section VII for the purpose of implementing Settlement Agreements entered into by and between New York and Settling Defendants. The principal of the Settlement Fund Account shall be funded by the specified monetary payments of all Settling Defendants, made in each case pursuant to that party's Settlement Agreement. The principal in the Settlement Fund Account shall be used to the extent there are sufficient funds in this Account to fund a distribution to consumers in the form of a coupon to be issued by New York and distributed in a free standing insert and to pay for the costs of administering this Agreement.

(h) "Western New York" means the areas in and around the cities of Buffalo, Rochester and Syracuse, New York, including the counties of Niagara, Orleans, Genesee, Erie, Chautauqua, Cattaraugus, Livingston, Monroe, Ontario, Wayne, Cayuga, Onondaga, Oswego, Madison, Oneida and Jefferson.

II. AGREEMENT

Subject to the approval of the Court, the parties agree to compromise, settle and resolve fully and finally on the terms set forth herein, any and all claims, actions and causes of action covered by the Release attached hereto as Exhibit A, including any such claims arising under any

federal or New York State antitrust, unfair competition, deceptive trade practices or consumer protection law, or other law, regulations or common law.

III. MONETARY PAYMENT

(a) P & G agrees to pay New York the total sum of \$1,370,000 in full and final settlement of those claims described in Section II above and in the Release. This sum shall be deposited into the Settlement Fund Account. The monies in the Settlement Fund Account shall be used to pay for the Consumer Restitution, as described in Section IX below, and to pay for all administrative or other costs incurred in implementing the terms of this Settlement Agreement, as set forth in Section VII below.

(b) P & G is making the monetary payment described in this Settlement Agreement solely to settle claims for restitution. The parties agree that such payment is not a fine or similar penalty paid to New York for the violation of any law. Payment hereunder does not constitute, nor shall it be construed as or treated as, payment in lieu of treble damages or as a fine, penalty, punitive recovery or forfeiture.

IV. INJUNCTION

(a) P & G agrees that, for a period of two (2) years from the date of New York's application for preliminary

approval of this Settlement Agreement, P & G shall not enter directly or indirectly into any contract, combination, conspiracy, agreement or arrangement with any of its manufacturer competitors to eliminate or reduce the number of coupons in Western New York.

(b) P & G agrees that, for a period of two (2) years from the date of New York's application for preliminary approval of this Settlement Agreement, P & G shall not conduct any program or test pursuant to which it eliminates or substantially reduces the number of FSI coupons issued in Western New York on P & G products unless such program or test is carried out in a multi-state or larger geographic area of the United States.

(c) The parties agree that, upon entry of the Final Judgment and Consent Decree, New York and all natural persons residing in New York who purchased Grocery Products from retailers in Western New York at any time prior to the effective date of the Settlement Agreements (except persons who have timely and properly requested exclusion) will be permanently barred and enjoined from prosecuting against Settling Defendants, their present and former parents, subsidiaries, divisions, affiliates, stockholders, officers, directors, employees, agents and any of their legal representatives (and the predecessors, heirs, executors, administrators, successors and assigns of each of the foregoing), any of the claims foreclosed or released in

accordance with the Settlement Agreements and the Releases.

(d) P & G agrees to maintain records from materials generated in its ordinary course of business sufficient to reflect its compliance with injunctive provision IV(b) above, which records it shall make available to the New York State Attorney General on reasonable notice. P & G shall keep such records until at least three years after the date of New York's application for preliminary approval of this Settlement Agreement. Annually for each of two (2) years, no later than sixty (60) days following the anniversary date of New York's application for preliminary approval, P & G shall submit a letter, signed by an officer of P & G, to the New York State Attorney General, in care of the Chief of the Attorney General's Antitrust Bureau at New York, New York, stating that P & G has complied with injunctive provisions IV(a) and IV(b) above for the prior year ending on the anniversary date.

(e) New York agrees that if at any time within two (2) years after New York's application for preliminary approval of this Settlement Agreement, New York enters into a settlement agreement or obtains an injunction in this action against a manufacturer relating to couponing activities in Western New York that contains less restrictive or demanding injunctive terms than those applicable to P & G, then the Final Judgment and Consent Decree shall, at the written election of P & G,

automatically be modified to make the terms of the decree applicable to P & G no more restrictive or demanding for its remaining term than such subsequent settlement or injunction.

V. APPLICATION FOR PRELIMINARY APPROVAL

At a future time to be determined by New York, but no later than forty (40) days after filing the Complaint, New York shall make an application to the Court requesting preliminary approval of this Settlement Agreement. At the time of the filing of the Complaint or within twenty (20) days thereafter New York will file a stipulation with the Court relieving P & G of any obligation to answer the Complaint, provide mandatory discovery as a party, participate in a scheduling conference or enter into a scheduling order under the Federal Rules of Civil Procedure between the date of filing of the Complaint through determination of the motion for final approval.

VI. PLAN FOR DISSEMINATION OF NOTICE

(a) New York will give notice of this litigation and this Settlement Agreement in accordance with 15 U.S.C. § 15c(b)(1) to the parens patriae group by publication, in substantially the form agreed to by the parties in Exhibit B hereto and as approved by the Court.

(b) Subject to Court approval, the notice shall be published within thirty (30) days after preliminary approval of this Settlement Agreement. The notice period shall extend for forty-five (45) days after publication. Members of the parens patriae group who choose to exercise their right to opt out of this litigation or to express their objections to this Settlement Agreement must do so within this forty-five (45) day period or their requests for exclusion or objections shall be invalid. Notice of this litigation and this Settlement Agreement shall be made by the publication of notices in the Buffalo News, the Rochester Democrat & Chronicle, the Syracuse Herald American and such other newspapers as may be reasonably selected by New York. The size of the newspaper notice shall be no larger than 1/4 of a page of display advertising. A single notice shall appear in one Sunday edition of each of the newspapers named above.

(c) Consumers who request information shall be sent, by first class mail, a legal notice substantially in the language of Exhibit D hereto describing the right to opt out of this litigation and/or object to this Settlement Agreement and setting forth the procedures to be followed when doing so.

(d) The Attorney General shall compile a list of those natural persons in the parens patriae group who in their individual capacity have timely and properly requested to be

excluded from this litigation. A copy of such list shall be provided to each Settling Defendant ten (10) or more days before the hearing on the Order for final approval of the settlement. The Attorney General shall retain the written requests for exclusion, which the Settling Defendants shall have the option of examining upon request. Should the number of individual members of the parens patriae group who timely and properly request exclusion pursuant to 15 U.S.C. § 15c(b)(2) exceed five thousand (5,000), P & G shall have the option prior to entry of an Order finally approving the settlement to withdraw from this agreement on the same terms as if this Settlement Agreement had not been approved.

(e) Simultaneously with or prior to submission of the motion for an Order finally approving this settlement and entry of the Final Judgment and Consent Decree, New York shall submit to the Clerk of the Court a list of those members of the parens patriae group who have timely and properly requested exclusion pursuant to 15 U.S.C.

§ 15c(b)(2).

VII. SETTLEMENT FUND ACCOUNT

(A) Simultaneously with submission of New York's application for preliminary approval of this Settlement Agreement and New York's execution and delivery of the Release specified in Section X(D), P & G shall pay

\$1,370,000 to New York by depositing such amount in the Settlement Fund Account established under Section VII(B). A portion of this monetary payment shall be used by New York to pay for administrative and other costs, including but not limited to:

- a. Payment of the costs of providing fair and adequate notice by publication to consumers who are members of the parens patriae group as well as the costs of responses by mail to requests for information provided pursuant to Section VI(d);
- b. Payment of expert consulting and witness fees incurred in connection with the investigation of this matter pursuant to N.Y. Gen. Bus. Law § 343, economic analysis of consumer impact, and seeking final approval of this Settlement Agreement;
- c. Payment of the costs and fees of the Trustee appointed pursuant to Section VII(B);
- d. Payment of costs incurred in administering the consumer restitution in the form of coupons to be distributed

in free standing inserts pursuant to Section IX. This includes all costs associated with the issuance of these coupons, including design, placement, handling and clearing fees; and

- e. Payment of court costs and reasonable attorneys fees to New York in connection with the investigation of this matter and preparation for bringing this action against the Settling Defendants, in an amount to be approved by the Court.

(B) The Settlement Fund Account shall be managed by a Trustee appointed by New York. The Trustee shall be responsible for investing and maintaining the monies of the Settlement Fund Account and paying all costs associated with the implementation of the terms of this Settlement Agreement and any additional instructions made in writing by New York. The Trustee shall invest the Settlement Fund Account in obligations of or guaranteed by the United States of America or any of its departments or agencies to obtain the highest available return. Subject to the approval of New York, the Trustee may make other investments offering a higher return with similar security. The Trustee shall not act in a manner contrary to the terms of this Settlement Agreement.

(C) The amounts deposited pursuant to Section VII(A) shall be in complete and final settlement of all claims

covered by this Settlement Agreement. New York will not seek from P & G additional funds should the Settlement Fund Account prove to be insufficient to cover the expenses listed above.

VIII. MOTION FOR FINAL APPROVAL OF THE SETTLEMENT AND FOR A FINAL JUDGMENT AND CONSENT DECREE

(A) Following preliminary approval of this settlement by the Court and expiration of the notice period, New York shall seek entry of an Order and a Final Judgment and Consent Decree (in the form attached hereto as Exhibit C):

(a) as to the action, approving finally this settlement as required by 15 U.S.C. § 15c(c);

(b) expressly determining that there is no just reason for delay and expressly directing that final judgment be entered, as authorized by Fed. R. Civ. P. 54(b);

(c) directing that, as to P & G, the action be dismissed with prejudice and, except as provided for herein, without costs;

(d) reserving exclusive jurisdiction over the settlement and this Settlement Agreement, including the administration and consummation of this settlement; and

(e) directing that, for a period of two (2) years, the Clerk of the Court shall maintain the record of those members of the parens patriae group who have timely and properly requested exclusion pursuant to 15 U.S.C. §

15c(b)(2) and that a certified copy of such record be provided to P & G within thirty (30) days of entry of the Final Judgment and Consent Decree.

(B) This Settlement Agreement shall become final upon the occurrence of all of the following three events:

(a) it is approved in all respects by the Court as required by 15 U.S.C. § 15c(c);

(b) entry is made in substantially the form attached hereto as Exhibit C of a final judgment of dismissal with prejudice as to P & G against New York and the members of the parens patriae group who have not timely and properly requested exclusion; and

(c) the time for appeal or to seek permission to appeal from the Court's Order approving this Settlement Agreement and entry of the Final Judgment and Consent Decree has expired or, if appealed, approval of this Settlement Agreement and the Final Judgment and Consent Decree have been affirmed in their entirety by the court of last resort to which such appeal has been taken and such affirmance has become no longer subject to further appeal or review.

(C) It is agreed that the provisions of Rule 60 of the Federal Rules of Civil Procedure shall not be taken into account in determining the above-stated times for further appeal or review.

IX. CONSUMER RESTITUTION

(A) After this Settlement Agreement becomes final according to the terms of Section VIII(B), the monetary payment by P & G as well as all other funds deposited into the Settlement Fund Account pursuant to Settlement Agreements between New York and other parties, minus all administrative or other costs, shall be used by New York to fund the issuance by the Attorney General of one or more coupons in Western New York redeemable by natural person consumers. These specially issued coupons shall be distributed in Sunday newspaper FSIs in Buffalo, Rochester and Syracuse and shall not be redeemable for more than the total price of the product(s) purchased.

(B) In no event shall P & G have any liability or responsibility whatsoever with respect to the issuance of such consumer coupons by the Attorney General. Issuance and redemption of such coupons shall not be construed as approval of, or participation in, the Attorney General's consumer restitution plan by P & G.

X. COOPERATION AND IMPLEMENTATION

(A) The parties agree to cooperate fully to implement the terms and conditions of this Settlement Agreement to the extent that the Settlement Agreement requires action on either party's part.

(B) P & G agrees not to oppose any petition by New York for court costs and attorney's fees of less than twenty-five (25) percent of the principal in the Settlement Fund Account. Such attorney's fees and costs shall be considered as administrative costs to be paid out of the Settlement Fund Account and any interest accrued thereon.

(C) If New York determines that P & G is not in compliance with the terms of the Settlement Agreement, it shall give P & G written notice of such non-compliance and P & G shall have fifteen (15) working days from receipt to respond in writing. If New York is not satisfied with P & G's response, it shall notify P & G in writing and P & G shall have fifteen (15) working days from receipt to cure such non-compliance. If after such time New York deems that P & G remains in non-compliance, New York may seek the civil remedies available to it under the terms of the Final Judgment and Consent Decree.

(D) Simultaneously with submission of the application for preliminary approval of this Settlement Agreement, New York shall execute and deliver to outside counsel of P & G a Release of all claims against P & G in the form attached hereto as Exhibit A. Outside counsel shall hold the Release in escrow until this Settlement Agreement becomes final in accordance with Section VIII(B). If the Court does not finally approve this Settlement Agreement and enter the Final Judgment and Consent Decree or if the settlement

approval and Final Judgment and Consent Decree are reversed or vacated, the Release shall be returned by P & G's outside counsel to New York and shall become null and void.

(E) Upon execution of this Settlement Agreement, Settling Defendants shall no longer be deemed parties to this action for purposes of discovery and trial.

(F) This Settlement Agreement, the Order and the Final Judgment and Consent Decree, including their exhibits, whether or not they shall become final, and any and all negotiations, documents and discussions generated in connection with them shall not be used or construed by any person as an admission of liability by P & G to any party or person, or be admissible against P & G (1) as evidence of any violation of any statute, law or order or (2) as an admission (a) of any liability or wrongdoing by P & G or (b) of the truth of any of the claims or allegations contained in the Complaint.

(G) If for any reason this Settlement Agreement is not approved by the Court and the Final Judgment and Consent Decree entered, or if such approval and final judgment are reversed on appeal, the principal in the Settlement Fund Account, and any interest accrued thereon, shall be refunded to P & G, reduced only by a pro rata share of any costs of notice and the costs and fees of the Trustee incurred in the administration of this settlement to the date of Court disapproval or appellate reversal. In such event, New York

shall retain full rights to assert any and all causes of action against P & G. P & G shall retain any and all defenses thereto.

XI. BENEFIT AND BINDING EFFECT

The terms of this Settlement Agreement shall be binding on, and shall inure to the benefit of, the parties and their successors and assigns. Upon this Settlement Agreement becoming final, it shall be binding upon and inure to the benefit of all members of the parens patriae group who have not timely exercised the right to opt out of the litigation as provided in the Court-approved notice, their heirs and assigns, and upon New York.

XII. TERM

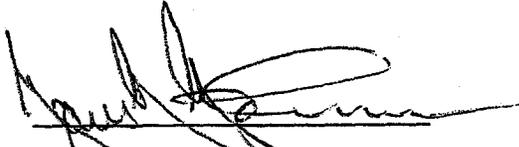
This agreement shall become effective as of the day and the year first written above, and shall terminate two (2) years after entry of the Final Judgment and Consent Decree in this matter, except as may be provided differently herein as to any reports and record keeping requirements.

XIII. MISCELLANEOUS

This Settlement Agreement and the attached Exhibits contain the entire agreement and understanding of the parties. There are no additional promises or terms of the Agreement other than those contained herein. This Agreement

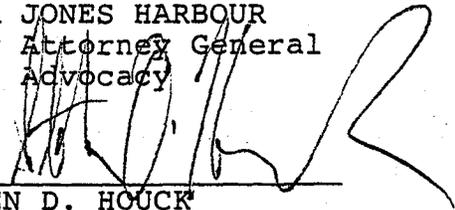
shall not be modified except in writing signed by New York
and P & G or by their authorized representatives.

AGREED AND CONSENTED TO:


By: James J. Johnson
Senior Vice President
and General Counsel
The Procter & Gamble Company

DENNIS C. VACCO
Attorney General
of the State of New York

PAMELA JONES HARBOUR
Deputy Attorney General
Public Advocacy


By: STEPHEN D. HOUCK
Assistant Attorney General in
Charge
Antitrust Bureau

Dated: Aug. 6 , 1997

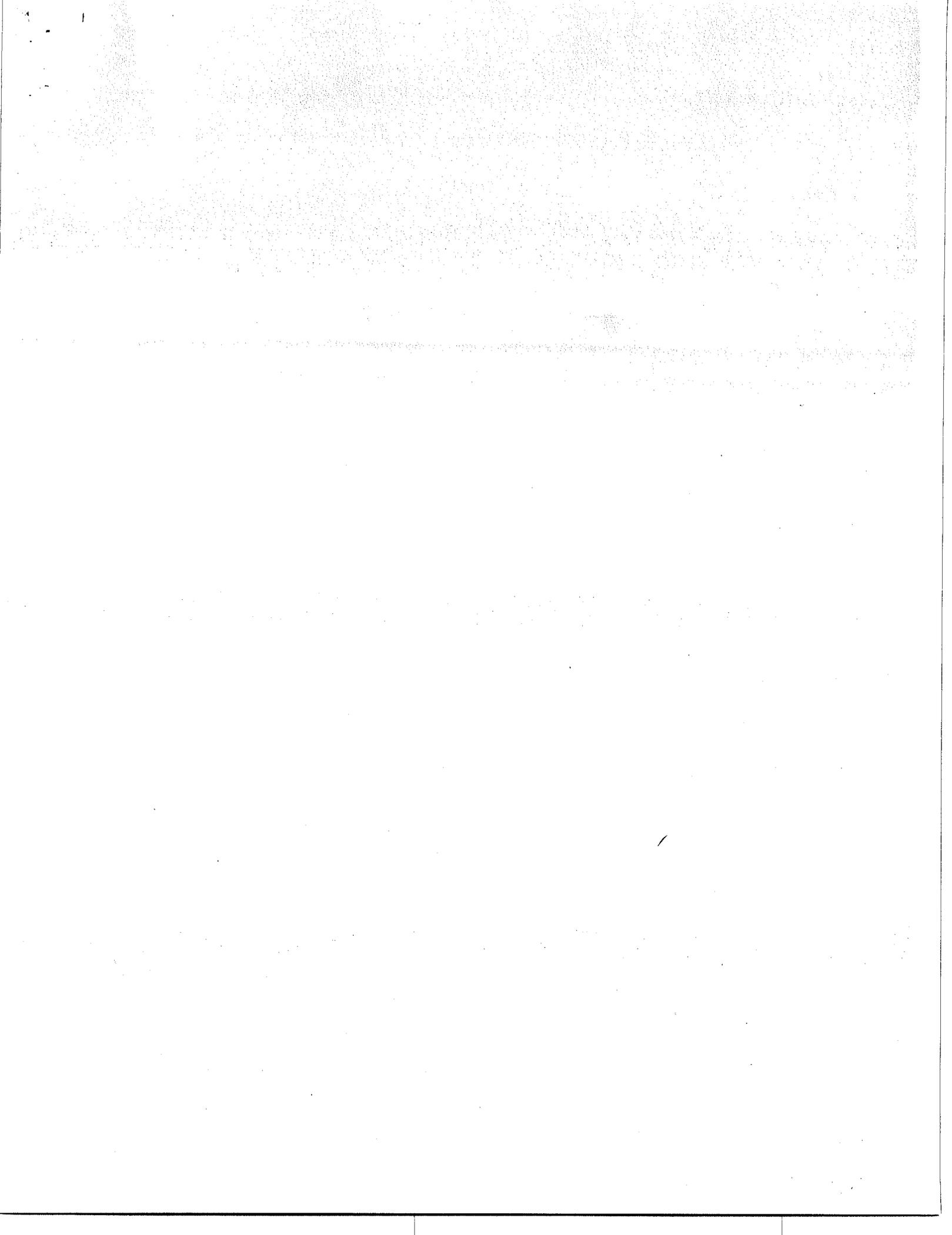


Exhibit A

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

STATE OF NEW YORK, by
DENNIS C. VACCO, ATTORNEY GENERAL,

X

Plaintiff,

Civil Action No.

- against -

WEGMANS FOOD MARKETS, INC.,
THE CLOROX COMPANY,
COLGATE-PALMOLIVE COMPANY,
CONOPCO, INC.,
THE DIAL CORPORATION,
DOWBRANDS, L.P.,
JAMES RIVER PAPER COMPANY, INC.,
S.C. JOHNSON & SON, INC.,
THE PILLSBURY COMPANY,
THE PROCTER & GAMBLE COMPANY,
RECKITT & COLMAN INC.,
DAVID D'AREZZO,

Defendants.

X

RELEASE

TO ALL TO WHOM THESE PRESENTS SHALL COME OR MAY
CONCERN, KNOW that the State of New York (or "Releasor")
issues this Release in its sovereign capacity and as parens
patriae on behalf of all natural persons residing in the
State of New York. This Release is issued for and in
consideration of the promises and covenants set forth in the
Settlement Agreement dated July , 1997, and for other good
and valuable consideration, the receipt and adequacy of
which are hereby acknowledged.

Releasor on behalf of itself and all natural persons

residing in the State of New York does hereby release, acquit, exonerate and forever discharge The Procter & Gamble Company (or "Releasee") and its present and former parents, subsidiaries, divisions, affiliates, stockholders, officers, directors, employees, agents, and any of their legal representatives (and the predecessors, heirs, executors, administrators, successors and assigns of each of the foregoing) from all manner of claims, demands, actions, suits, causes of action, whether class, individual, or otherwise in nature, damages whenever incurred, liabilities of any nature whatsoever, including costs, expenses, fines, penalties and attorneys' fees, known or unknown, suspected or unsuspected, in law or equity, that any natural persons residing in New York State who purchased Grocery Products from retailers in Western New York (as defined in the Settlement Agreement) at any time prior to the effective date of the Settlement Agreement and who have not timely and properly excluded themselves pursuant to 15 U.S.C. § 15c (b)(2) (including any of their legal representatives, trustees, parents, heirs, executors, and assigns) and, whether or not they object to the settlement, whether directly, representatively, derivatively or in any other capacity, ever had, now have or hereafter can, shall or may have, or that Releasor ever may have brought, has brought, or might bring on their behalf or in its sovereign or law-enforcement capacity, based on conduct prior to the effective date of the Settlement Agreement and concerning

any elimination, change in terms or reduction of the number of coupons issued by The Procter & Gamble Company or other entities, including, without limitation, claims that have been asserted or could have been asserted against the Releasee or any one of the Manufacturer Defendants (as defined in the Settlement Agreement) based on the allegations of the Complaint, or that could arise under any Federal or State antitrust, unfair competition, deceptive trade practices or consumer protection law, or other law or regulation, or common law based on the allegations of the Complaint, including, without limitation, the Sherman Antitrust Act, 15 U.S.C. §1 et seq. (1996) and the Donnelly Act, N.Y. Gen. Bus. Law § 340 et seq. (Consol. 1997) (hereinafter the "Released Claims"). Releasor and each natural person on whose behalf the Releasor has brought this action hereby covenants and agrees that he or she shall not, hereafter, seek to establish liability against the Releasee based, in whole or in part, upon any of the Released Claims.

IN WITNESS WHEREOF, Releasor, by the Attorney General of the State of New York, Dennis C. Vacco, has caused and authorized Stephen D. Houck, Chief of the Antitrust Bureau of the Office of the Attorney General, to execute this Release this ___ day of _____ 1997.

IN PRESENCE OF: _____

STATE OF NEW YORK, COUNTY OF NEW YORK ss.:

On _____, 1997 before me _____ personally came to me known who, by me duly sworn, did depose and say that he is the Chief of the Antitrust Bureau of the Office of the Attorney General of the State of New York, 120 Broadway, New York, New York, and that he has been duly authorized by Dennis C. Vacco, Attorney General of the State of New York, to execute the foregoing Release on behalf of the State of New York and all natural persons residing therein and that he signed his name pursuant to such authorization.

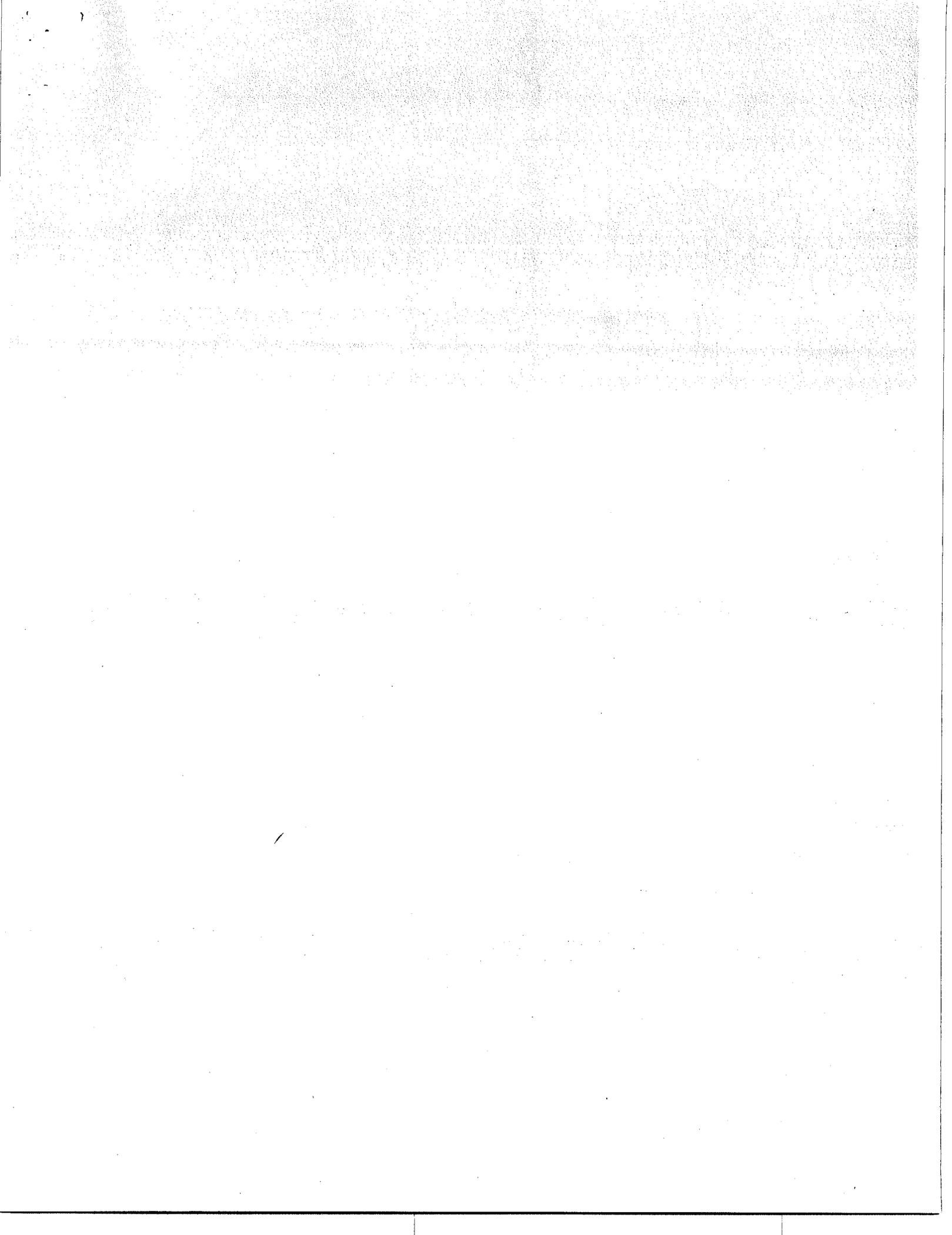


EXHIBIT B

UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF NEW YORK
STATE OF NEW YORK, by DENNIS C. VACCO, ATTORNEY GENERAL, v.
WEGMANS FOOD MARKETS, INC., et al (Civil Action No.)

NOTICE TO CONSUMERS REGARDING LITIGATION AND
PROPOSED PARTIAL SETTLEMENTS

If you are a consumer who has purchased non-food or food grocery products at supermarkets or other retail stores in Western New York, please read this notice carefully. The notice concerns possible claims that you may have against Wegmans Food Markets, Inc. ("Wegmans"), as well as against the following companies (or "Settling Defendants"): The Clorox Company, Colgate-Palmolive Company, Conopco, Inc., The Dial Corporation, DowBrands, L.P., James River Paper Company, S.C. Johnson & Son, Inc., The Pillsbury Company, Inc., The Procter & Gamble Company, and Reckitt & Colman Inc.

New York State Attorney General Dennis C. Vacco has brought a lawsuit against the companies listed above and one individual employed by Wegmans. The lawsuit alleges that the defendants and manufacturer co-conspirators entered into agreements in violation of New York State and federal anti-trust laws pursuant to which they eliminated or reduced the number of coupons issued during 1995 to 1997 in Western New York by means of free standing inserts in newspapers and other methods. ("Western New York" refers to the areas in and around Buffalo, Rochester and Syracuse, New York, including the counties of Niagara, Orleans, Genesee, Erie, Chautauqua, Cattaraugus, Livingston, Monroe, Ontario, Wayne, Cayuga, Onondaga, Oswego, Madison, Oneida and Jefferson.) The lawsuit seeks treble damages against the defendant companies on behalf of consumers who would have redeemed coupons that would have been issued but for the conspiracy. The suit also seeks injunctive relief and penalties. After extensive negotiations, in order to avoid long and costly litigation, the State of New York and the Settling Defendants have agreed to Settlement Agreements and have submitted them for approval to the United States District Court for the Western District of New York. The Settling Defendants do not admit any liability or wrongdoing.

Under the proposed settlements, the Settling Defendants have agreed to pay New York a total of \$3,700,000. The Settling Defendants also have agreed to injunctive provisions regarding couponing activities. New York has proposed using most of the settlement amount to fund the issuance by New York of one or more consumer coupons to be inserted in

leading Sunday newspapers in Western New York. These coupons will be redeemable on the purchase of grocery products. The Settling Defendants will have no responsibility or liability for such coupons.

The proposed settlements must be finally approved by the Court, which has preliminarily approved them. The legal rights of all natural persons who reside in the State of New York to sue the Settling Defendants for any conduct concerning any elimination, change in terms or reduction of the number of coupons issued by the Settling Defendants or other entities at any time prior to [date] will be resolved and foreclosed by these settlements, subject to court approval and the right of persons to opt out of the entire litigation as explained below.

The proposed settlements do not affect the claims against Wegmans and its employee. The litigation against them will continue. This notice does not express any opinion of the Court as to the merits of any claims or defenses of any party to the lawsuit. No trial has been held on the merits.

If you bought grocery products from any retailer in Western New York and you do not wish to be bound by the resolution of this litigation--including the proposed settlements with the Settling Defendants and any resolution of the claims against the non-settling defendants--you must expressly exclude yourself (or "opt out") from the litigation in a written notice properly filed no later than [date], 1997 [end of 45-day notice period], with the Clerk of the Court at the United States District Court, 68 Court Street, Buffalo, NY 14202. You may not opt out on behalf of anyone other than yourself.

If you wish to object to the proposed settlements, you must properly file a written objection with the Clerk of the Court no later than [date], 1997 [end of 45-day notice period], requesting, if desired, to appear before the Court at a hearing to be held at a later date.

Any opt-out notice or objection that you file must include certification of service by mail of copies of all papers upon the Attorney General at: Office of the Attorney General, Antitrust Bureau (Attn. N. Caban), 120 Broadway, New York, NY 10271-0332. If you do not follow the requirements for opting out or objecting, you will waive your rights to do so. Also, if you opt out of this litigation, you should not redeem any of the consumer coupons issued by New York. A "long form" notice containing

additional information may be requested by writing promptly to the Office of the Attorney General at the same address.

By Order of Hon. _____, U.S. District Judge
Dated: Buffalo, New York, _____, 1997

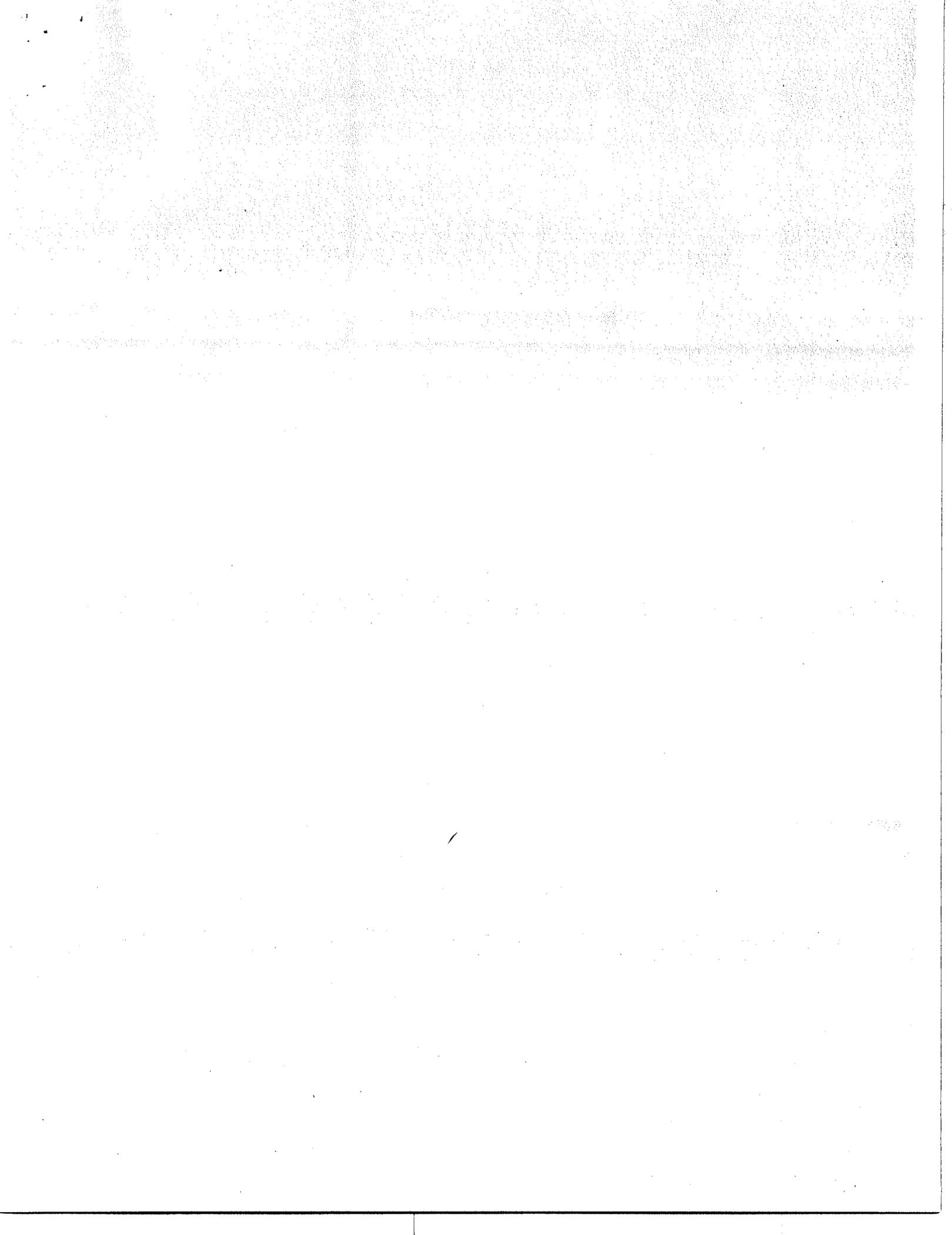


Exhibit C

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

STATE OF NEW YORK, by
DENNIS C. VACCO, ATTORNEY GENERAL,

X

Plaintiff,

Civil Action No.

- against -

WEGMANS FOOD MARKETS, INC.,
THE CLOROX COMPANY,
COLGATE-PALMOLIVE COMPANY,
CONOPCO, INC.,
THE DIAL CORPORATION,
DOWBRANDS, L.P.,
JAMES RIVER PAPER COMPANY, INC.,
S.C. JOHNSON & SON, INC.,
THE PILLSBURY COMPANY,
THE PROCTER & GAMBLE COMPANY,
RECKITT & COLMAN INC.,
DAVID D'AREZZO,

Defendants.

X

FINAL JUDGMENT AND CONSENT DECREE

The State of New York ("Plaintiff") has filed a Complaint against the defendants for damages, injunctive relief and penalties on its own behalf and as parens patriae on behalf of all natural persons residing in New York who purchased Grocery Products from retailers in Western New York prior to June 30, 1997 alleging that defendants and co-conspirators violated federal and state antitrust laws. Settling Defendants deny the allegations stated therein.

Plaintiff and settling defendants The Clorox Company, Colgate-Palmolive Company, Conopco, Inc. (which for purposes

of Section IV(a)-(d) hereof shall refer only to its Lever Brothers Company division), James River Paper Company, Inc., S.C. Johnson & Son, Inc., The Dial Corporation, Dow Brands, L.P., The Pillsbury Company, The Procter & Gamble Company, and Reckitt & Colman, Inc. ("Settling Defendants") desire to resolve any and all disputes arising from the subject matter of the Complaint. These parties have entered into Settlement Agreements and executed Releases that have been filed with the Court and are incorporated by reference herein. In full and final settlement of the Released Claims as defined in the Settlement Agreement and attached Releases, Settling Defendants have made certain monetary payments as set forth in the Settlement Agreements executed on June 30, 1997 and July , 1997 (the "Settlement Agreements"). Settling Defendants have also agreed to entry of this Final Judgment and Consent Decree. Plaintiff has released its own claims and the claims of all natural persons residing in New York who have not excluded their claims, in accordance with the terms of the Settlement Agreements and the Releases.

Notice of the Settlements was given pursuant to Court order in accordance with 15 U.S.C. § 15c(b)(1) and the requirements of due process. The Notice was the best notice practicable under the circumstances.

An opportunity to be heard was given to all persons requesting to be heard in accordance with this Court's orders. The Court reviewed the terms of the settlements, the

submissions of the parties in support of them, and the comments received in response to the notice. After a hearing held on _____, the Court finally approved the Settlement Agreements on _____, and determined them to be in all respects fair, reasonable and adequate. Said Order, which expressly excludes from the Settlements those natural persons residing in New York who elected to opt-out of the Settlements, was entered on _____.

NOW, THEREFORE, without trial or adjudication of any issue of law or fact, before the taking of any testimony at trial, without the admission of liability or wrongdoing by Settling Defendants and upon the consent of the parties hereto,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

I

JURISDICTION

The Court has jurisdiction over the subject matter of this action and the parties hereto. The Complaint raises claims against Defendants under Section 1 of the Sherman Act (15 U.S.C. § 1), Section 4 of the Clayton Act (15 U.S.C. § 15), Section 4C of the Clayton Act (15 U.S.C. § 15c), and Section 16 of the Clayton Act (15 U.S.C. § 26). Jurisdiction lies in this Court pursuant to 28 U.S.C. § 15. The Complaint also raises pendent state claims for penalties and other relief under the Donnelly Act (N.Y. Gen. Bus. Law § 340 et.

seq.).

II

DEFINITIONS

As used in this Final Judgment and Consent Decree:

- (a) "Coupon" means a coupon to be redeemed by a consumer;
- (b) "FSI coupon" means a coupon issued (or "dropped") by a manufacturer and published in a free standing insert distributed with a newspaper;
- (c) "Grocery Products" means food and non-food items typically sold by supermarkets and other grocery retailers;
- (d) "Parens patriae group" means all natural persons residing in New York State who purchased Grocery Products from retailers in Western New York at any time prior to the effective date of this Settlement Agreement;
- (e) "Western New York" means the areas in and around the cities of Buffalo, Rochester and Syracuse, New York, including the counties of Niagara, Orleans, Genesee, Erie, Chautauqua, Cattaraugus, Livingston, Monroe, Ontario, Wayne, Cayuga, Onondaga, Oswego, Madison, Oneida and Jefferson.

III

ENTRY OF FINAL JUDGMENT UNDER FED. R. CIV. P. 54(b)

This Final Judgment and Consent Decree shall apply to the plaintiff and the Settling Defendants. In accordance with Fed. R. Civ. P. 54(b), the Court determines expressly that there is no just reason for delay and directs that this Final Judgment and Consent Decree be entered resolving the issues

for less than all defendants.

IV

INJUNCTION

(a) For a period of two (2) years from [date] 1997, no Settling Defendant shall enter directly or indirectly into any contract, combination, conspiracy, agreement or arrangement with any of its manufacturer competitors to eliminate or reduce the number of coupons in Western New York.

(b) For a period of two (2) years from [date] 1997, no Settling Defendant shall conduct any program or test pursuant to which it eliminates or substantially reduces the number of FSI coupons issued in Western New York on its products unless such program or test is carried out in a multi-state or larger geographic area of the United States.

(c) New York and all natural persons residing in New York who purchased Grocery Products from retailers in Western New York at any time prior to the effective date of the Settlement Agreements (except persons who have timely and properly requested exclusion) are permanently barred and enjoined from prosecuting against Settling Defendants, their present and former parents, subsidiaries, divisions, affiliates, stockholders, officers, directors, employees, agents and any of their legal representatives (and the predecessors, heirs, executors, administrators, successors and assigns of each of the foregoing), any of the claims foreclosed or released in accordance with the Settlement Agreements and the Releases.

(d) Each Settling Defendant shall maintain records from materials generated in its ordinary course of business sufficient to reflect its compliance with injunctive provision IV(b) above, which records it shall make available to the New York State Attorney General on reasonable notice. Each Settling Defendant shall keep such records until at least three (3) years after [date] 1997. Annually for each of two (2) years, no later than sixty (60) days following [date] 1998 and [date] 1999, each Settling Defendant shall submit a letter, signed by one of its officers, to the New York State Attorney General, in care of the Chief of the Attorney General's Antitrust Bureau at New York, New York, stating that it has complied with injunctive provisions IV(a) and IV(b) above for the prior year ending on the anniversary date.

(e) In the event that at any time within two (2) years after [date] 1997, New York enters into a settlement agreement or obtains an injunction in this action against a manufacturer relating to couponing activities in Western New York that contains less restrictive or demanding injunctive terms than those applicable to any Settling Defendant, then this Final Judgment and Consent Decree shall, upon written election of such Settling Defendant, automatically be modified to make the terms of this decree applicable to that Settling Defendant no more restrictive or demanding for its remaining term than such subsequent settlement or injunction.

V

DISMISSAL WITH PREJUDICE

The Complaint against the Settling Defendants is hereby dismissed with prejudice as to New York and the members of the parens patriae group and, except as provided for in the Settlement Agreements, without costs.

VI

JURISDICTION RETAINED

Without affecting the finality of this Final Judgment, jurisdiction shall be retained by this Court for the purpose of enabling any party hereto to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Final Judgment and Consent Decree, the modification of any of the provisions hereto to the extent such modification is permitted, and the remedy of a violation of any of the provisions contained herein. The Clerk of the Court shall maintain the record of those individuals in the parens patriae group who have timely and properly requested exclusion pursuant to 15 U.S.C. § 15c(b)(2). The Clerk of the Court shall provide certified copies of such record to the Settling Defendants within thirty (30) days of the date this Final Judgment and Consent Decree is entered. This Court shall have the authority to specifically enforce the provisions of this Final Judgment and Consent Decree.

VII

TERM

On [date] 2000, said Final Judgment and Consent Decree shall automatically terminate without any action by either party or the Court.

So ordered this _____ day of _____, .

_____, D.J.
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

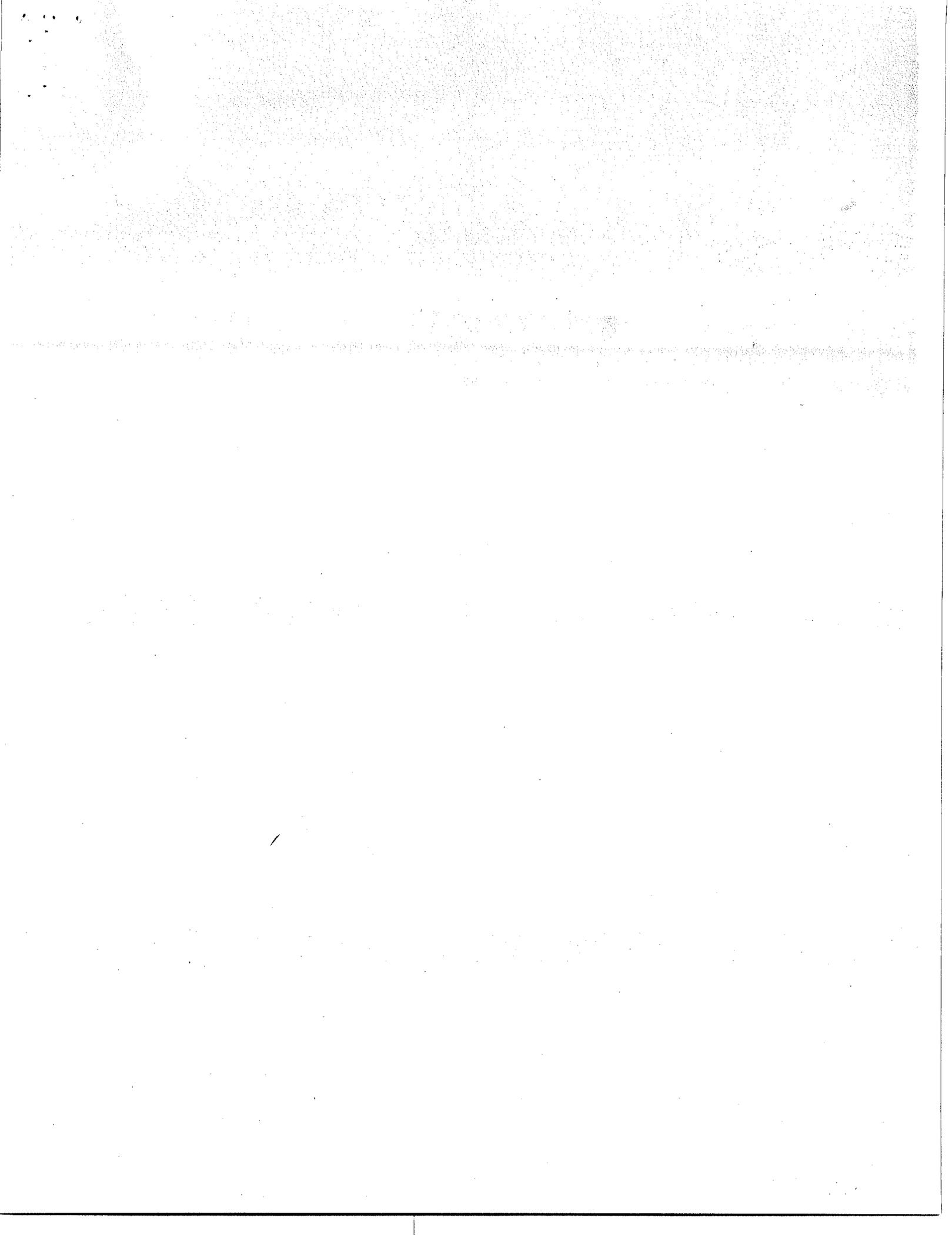


EXHIBIT D

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

STATE OF NEW YORK, by
DENNIS C. VACCO, ATTORNEY GENERAL,

X

Plaintiff,

Civil Action No.

- against -

WEGMANS FOOD MARKETS, INC.,
THE CLOROX COMPANY,
COLGATE-PALMOLIVE COMPANY,
CONOPCO, INC.,
THE DIAL CORPORATION,
DOWBRANDS, L.P.,
JAMES RIVER PAPER COMPANY, INC.,
S.C. JOHNSON & SON, INC.,
THE PILLSBURY COMPANY,
THE PROCTER & GAMBLE COMPANY,
RECKITT & COLMAN INC.,
DAVID D'AREZZO,
Defendants.

X

**LONG FORM NOTICE TO CONSUMERS REGARDING
LITIGATION AND PROPOSED PARTIAL SETTLEMENTS**

This is notice of proposed partial settlement of an antitrust lawsuit brought by Dennis C. Vacco, the Attorney General of the State of New York (or "New York"), alleging violations of federal law under the Sherman Act, 15 U.S.C. § 1, and of New York State law under the Donnelly Act, N.Y. Gen. Bus. Law §§ 340-347. This Notice is a "long form" version of notices that are being published in newspapers in Western New York.

READ THIS NOTICE CAREFULLY BECAUSE YOU MAY BE REPRESENTED BY THE NEW YORK STATE ATTORNEY GENERAL AND THEREFORE, YOUR RIGHTS MAY BE AFFECTED BY THE LITIGATION AND PROPOSED PARTIAL SETTLEMENTS.

This Notice is to inform you of the litigation and the steps you may take if you wish to opt out of the litigation or if you wish to object to the proposed partial settlements. This Notice does not express the opinion of the Court as to the merits of the claims or defenses asserted by either side in the lawsuit. The defendants deny any allegations of wrongdoing.

I

NATURE OF CASE

New York, represented by Attorney General Dennis C. Vacco, has brought a civil antitrust suit in its law enforcement capacity and as "parens patriae" on behalf of consumers who during 1995 to 1997 would have redeemed manufacturers' coupons on non-food and food grocery products ("Grocery Products") that would have been issued but for an alleged antitrust conspiracy.

New York has agreed to settle the lawsuit with the following parties (the "Settling Defendants"): The Clorox Company, Colgate-Palmolive Company, Conopco, Inc., The Dial Corporation, DowBrands, L.P., James River Paper Company,

Inc., S.C. Johnson & Son, Inc., The Pillsbury Company, The Procter & Gamble Company, and Reckitt & Colman Inc.

The defendants in this lawsuit (which also include Wegmans Food Markets, Inc. and one individual employed by Wegmans) and other unnamed manufacturer co-conspirators are alleged to have participated in a conspiracy to eliminate or reduce the number of coupons issued in Western New York on Grocery Products in violation of federal and New York State antitrust laws. Western New York refers to the areas in and around Buffalo, Rochester and Syracuse, New York, including the counties of Niagara, Orleans, Genesee, Erie, Chautauqua, Cattaraugus, Livingston, Monroe, Ontario, Wayne, Cayuga, Onondaga, Oswego, Madison, Oneida and Jefferson. New York's lawsuit seeks to recover treble damages from the defendant companies for the injuries caused by the alleged agreement, to enjoin future antitrust violations and to impose penalties. The suit also seeks to recover New York's costs and attorneys fees.

II

PROCEDURAL HISTORY

The New York State Attorney General conducted an extensive investigation during 1996 and 1997 into whether certain manufacturers and/or retailers had engaged in a conspiracy to eliminate or reduce the number of coupons issued in Western New York. On [date], the complaint in

State of New York v. Wegmans Food Markets, Inc., -- Civ. --
(---) was filed in the United States District Court for the
Western District of New York.

No trial has been held on the merits of New York's
allegations against the defendants. After extensive negoti-
ations, New York entered into proposed Settlement Agreements
with the Settling Defendants on June 30, 1997 and July ,
1997. New York and the Settling Defendants have determined
that it is in their best interests to settle and terminate
the lawsuit as to the Settling Defendants. New York has
determined that the proposed settlements provide significant
relief respecting persons in Western New York who purchase
Grocery Products. The Settling Defendants deny the
lawsuit's allegations.

Pursuant to 15 U.S.C. §15(c), the proposed settlements
were approved preliminarily by the Court on [date] and are
subject to final approval of the Court.

III

TERMS OF PROPOSED SETTLEMENTS

The terms and conditions of the proposed settlements
are summarized by this Notice. The Settlement Agreements,
including exhibits, are on file at the Office of the Clerk
of the United States District Court for the Western District
of New York, 68 Court Street, Buffalo, New York. They,

together with New York's complaint, are available for inspection and copying during regular office hours.

The proposed settlements provide for the following:

(1) The Settling Defendants shall pay a total of \$3,700,000 into an interest bearing Settlement Account. Most of this sum, minus administrative costs, shall be used to fund the issuance by the Attorney General of coupons, redeemable by consumers, in free standing inserts in leading Sunday newspapers in Western New York.

(2) The Settling Defendants also agree to injunctive provisions which, among other things, for a two year period enjoin entry directly or indirectly into any contract, combination, conspiracy, agreement or arrangement with any of their manufacturer competitors to eliminate or reduce the number of FSI coupons in Western New York.

IV

RELEASE OF SETTLING DEFENDANTS

Approval by the Court of the proposed settlements will result in dismissal of the lawsuit on the merits as to the Settling Defendants, with prejudice to the State of New York and all natural persons whom New York represents. New York, as provided in the Settlement Agreements, will release the Settling Defendants from all claims concerning the elimination, change in terms or reduction in the numbers of coupons

issued by the Settling Defendants or other entities, as specified in the Release on file with the Court.

V

CONTINUING LITIGATION

The proposed Settlement Agreements do not affect the claims against Wegmans and the individual defendant. The litigation against them will continue. This notice does not express any opinion of the Court as to the merits of any claims or defenses of any party to the lawsuit.

VI

RIGHT TO OPT OUT OF LITIGATION

If you bought Grocery Products from any retailer in Western New York and you do not wish to be bound by the results of this litigation--including the proposed settlements with the Settling Defendants and any resolution of the claims against the non-settling defendants--you must expressly exclude yourself (or "opt out") from the litigation in a notice properly filed with the Clerk of the Court, U.S. District Court for the Western District of New York, 68 Court Street, Buffalo, New York, 14202, no later than [date], 1997 [end of 45-day notice period]. You may not opt out on behalf of anyone other than yourself.

All opt-out notices must include certification of service by mail on the Attorney General at: Antitrust Bureau (Attn. N. Caban), New York Attorney General's Office,

New York State Department of Law, 120 Broadway (Suite 2601),
New York, NY 10271.

Document Title

All documents which you file must be entitled: State of New York v. Wegmans Food Markets, Inc., __Civ. __ ().

Waiver of the Right To Opt Out

If you fail to opt out in accordance with the foregoing requirements, you shall have waived your right to do so, and shall be forever barred from opting out of the litigation, including the proposed settlements. Also, if you opt out of the litigation, you should not redeem any of the consumer coupons issued by New York (as described in Section III).

VII

RIGHT TO OBJECT TO PROPOSED SETTLEMENTS

If you wish to object to the proposed settlements, you may do so in compliance with the following procedures.

Settlement Hearing

A hearing will be held in the United States District Court for the Western District of New York, 68 Court Street, Buffalo, New York, 14202, on [date] at [time] in Courtroom [] for the purpose of determining whether the proposed settlements are fair, reasonable and adequate and whether the proposed settlements should be approved by the Court.

IF YOU ARE SATISFIED WITH THE PROPOSED SETTLEMENTS, YOU NEED NOT APPEAR AT THIS HEARING. If the Court approves the

proposed settlements, all claims against the Settling Defendants covered by this Notice will be dismissed with prejudice except claims of those individuals who in a timely manner have excluded themselves from New York's lawsuit. The hearing may be adjourned from time to time without any further notice to persons represented by the State of New York.

Filing and Service of Objections

If you are an individual represented by New York, you may appear at the hearing, in person or by counsel, and show cause, if any, why the proposed settlements should not be approved by the Court and why the terms of the Settlement Agreements should not be found fair, reasonable and adequate. If you do not wish to appear at the hearing, you may express objections to the settlements in writing.

However, whether or not you desire an appearance, the Court will not hear you, or receive or consider your objections, unless on or before [date], 1997 [end of 45-day notice period], you properly file the following with the Court: (i) a brief statement of objections to the settlements, including a statement as to whether you wish to appear at the hearing (together with a supporting memorandum, if desired, not to exceed 15 pages), (ii) a signed statement verifying that a copy of the written objections and any supporting memorandum has been mailed to: Antitrust Bureau (Attn. N. Caban), New York Attorney

General's Office, New York State Department of Law,
120 Broadway (Suite 2601), New York, NY 10271. The Court's
address for filing is as follows: Clerk of the Court, U.S.
District Court for the Western District of New York,
68 Court Street, Buffalo, New York, 14202.

The postmark on the envelope will determine whether
your papers have been filed in a timely manner.

Document Title

All documents that you file must be entitled: State of
New York v. Wegmans Food Markets, Inc., ___ Civ. ___ ().

Waiver of Objections

If you fail to object in accordance with the foregoing
requirements, you shall have waived, and shall be forever
barred from raising, any objections to the proposed settle-
ments. (Note that if you file an objection to the proposed
settlements, but do not opt out of them, you will not be
excluded from New York's litigation).

VIII

ADDITIONAL INFORMATION

If you have any questions concerning the proposed
settlements or the matter addressed in this Notice, please
direct your inquiries in writing to N. Caban of the
Antitrust Bureau, New York State Department of Law, at the
above address.

The complaint, proposed Settlement Agreements and any other public records pertinent to this litigation may be examined and copied during the regular office hours of the Office of the Clerk of the United States District Court for the Western District of New York at the United States Courthouse, Buffalo, New York.

HON. _____

Dated: Buffalo, NY

UNITED STATES DISTRICT JUDGE

, 1997