

UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA)	Filed: May 17, 1999 (Under Seal)
)	Seal Lifted: September 23, 1999
v.)	
)	Criminal No.: 399-CR-182-G
)	15 U.S.C. § 1
RACK SHOP (DE), INC.,)	
)	
Defendant.)	

INFORMATION

The United States of America, acting through its attorneys, charges:

I

DESCRIPTION OF THE OFFENSE

1. RACK SHOP (DE), INC., as a successor to Periodical Management Group, Inc., is made a defendant on the charge stated below.
2. Beginning at least as early as the fall of 1990 and continuing at least through late 1995, the exact dates being unknown to the United States, the defendant, through its predecessor, and co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by allocating territories and customers for the sale and distribution of magazines and other periodicals in the Dallas, Fort Worth, Waxahachie, and surrounding areas of Texas. The charged combination and conspiracy unreasonably restrained interstate trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The combination and conspiracy consisted of a continuing agreement, understanding and concert of action among the defendant and co-conspirators, the substantial terms of which were to allocate territories and customers for the sale and distribution of magazines and other periodicals in the Dallas, Fort Worth, Waxahachie, and surrounding areas of Texas.

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and co-conspirators did the following things, among others:

- (a) discussed allocating and agreed to allocate certain territories among themselves;
- (b) discussed allocating and agreed to allocate certain customers among themselves;
- (c) discussed refraining and agreed to refrain from soliciting customers within each other's designated territories; and
- (d) carried out their agreement.

II

DEFENDANT AND CO-CONSPIRATORS

5. The defendant, a corporation organized and existing under the laws of the State of Delaware, is the successor of a company that formerly owned business operations engaged in the wholesale distribution and sale of magazines and other periodicals in the United States. During the charged conspiratorial period, the defendant's predecessor, Periodical Management Group, Inc., owned Texas

Periodicals, Inc., which, doing business as Trinity News Co., Inc., sold and distributed magazines and other periodicals to retailers for resale in the Dallas, Fort Worth, Waxahachie, and surrounding areas of Texas. Trinity News' principal place of business was in Fort Worth.

6. Various individuals and corporations, not made defendants in this Information, participated as co-conspirators in the charged combination and conspiracy and performed acts and made statements in furtherance of it.

7. Whenever this Information refers to any act, deed or transaction of any corporation, it means that the corporation engaged in the act, deed or transaction by or through its officers, directors, employees, agents or other representatives while they were actively engaged in the management, direction, control or transaction of its business or affairs.

III

TRADE AND COMMERCE

8. Magazines and other periodicals are distributed and sold to retailers by wholesalers, referred to in the magazine industry as "independent distributors" or "IDs". The defendant, its predecessor, and its co-conspirators operated as IDs and were engaged in the business of distributing and selling magazines and other periodicals to retailers, who in turn sold these magazines and other periodicals to the public.

9. During the period covered by this Information, the defendant, through its predecessor, and co-conspirators sold and distributed in the State of Texas

magazines and other periodicals manufactured and produced outside of the State of Texas. These magazines and other periodicals were shipped across state lines in a continuous and uninterrupted flow of interstate commerce from their places of manufacture to customers located in Texas.

10. The activities of the defendant, through its predecessor, and co-conspirators that are the subject of this Information were within the flow of, and substantially affected, interstate trade and commerce.

IV

JURISDICTION AND VENUE

11. The combination and conspiracy charged in this Information was carried out, in part, within the Northern District of Texas within the five years preceding the filing of this Information.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

_____/s/_____
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_____/s/_____
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_____/s/_____
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