



Department of Justice

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GEORGIA MANUFACTURER OF FOOD SERVICE EQUIPMENT HARDWARE PAYS \$3.3 MILLION FINE FOR ROLE IN CUSTOMER ALLOCATION CONSPIRACY

WASHINGTON – A New York corporation, whose principal place of business is Newnan, Ga., was sentenced to pay a \$3.3 million criminal fine for conspiring to allocate customers in the food service equipment hardware market, including walk-in refrigeration equipment, the Department of Justice announced today.

Kason Industries Inc., a food service equipment manufacturer, pleaded guilty on May 19, 2010, in U.S. District Court in Atlanta. Kason Industries and its former president, Peter A. Katz, were charged on May 6, 2010, with one count of participating in a conspiracy from December 2004 until at least December 2008, to allocate customers for food service equipment hardware sold in the United States and elsewhere. The department said that the purpose of the conspiracy was to reduce and eliminate competition in the sale of the food service equipment hardware manufactured or sold by Kason Industries, Katz and their co-conspirators. Katz, who also pleaded guilty, is scheduled to be sentenced on Jan. 5, 2011.

Food service equipment hardware includes fabricated parts, such as cafeteria hardware, equipment legs and casters, and fabrication supplies, and walk-in refrigeration components, such as metal racks, door hinges, handles, latches, closers and panel fasteners.

According to court documents, Katz and co-conspirators agreed during meetings and telephone and e-mail discussions to allocate customers of food service equipment hardware; not to compete for one another's protected customers or to submit intentionally high prices or bids to certain customers; to exchange prices to customers so as not to undercut one another's prices; and to sell food service equipment hardware at collusive and noncompetitive prices.

Today's sentencing is the result of an ongoing federal antitrust investigation of customer allocation in the food service equipment hardware industry. The investigation is being conducted by the Antitrust Division's Atlanta Field Office and the FBI's Atlanta Office.

Anyone with information concerning customer allocation or other anticompetitive conduct in the food service equipment hardware industry should contact the Antitrust Division's Atlanta Field Office at 404-331-7100 or visit www.justice.gov/atr/contact/newcase.htm.

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