



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, MAY 4, 1970

The Department of Justice today filed a civil antitrust suit charging Simmons Company of New York City with fixing prices and bids for Simmons' hospital furnishings sold by distributors.

At the same time, the Department filed a proposed consent judgment, which may become final in 30 days.

Attorney General John N. Mitchell said the complaint and proposed judgment were filed in the U.S. District Court in Columbus, Ohio.

Since about 1951, the suit said, Simmons has entered into a series of contracts with nearly 100 distributors to fix the prices and the bids for hospital furnishings, including hospital beds, cribs, patient room furnishings, and mattresses, in violation of Section 1 of the Sherman Act.

The suit said the prices of hospital furnishings to hospitals and other institutions have been fixed at arbitrary and non-competitive levels, that competition in the sale of hospital furnishings has been restrained and suppressed, and that hospitals and other institutions have been deprived of the benefits of free and open competition in the purchase of such furnishings.

Richard W. McLaren, Assistant Attorney General in charge of the Antitrust Division, said the judgment would prohibit Simmons from fixing prices and bids of hospital furnishings throughout its distribution system, and from restricting or limiting the territories in which or the persons to whom its distributors may sell its hospital furnishings.

Under the judgment, Simmons may not for a period of one year suggest to its distributors prices at which its hospital furnishings shall be sold to other persons.

Simmons is one of the largest manufacturers of hospital furnishings. It has manufacturing plants in 22 U.S. and Canadian cities and has distributor sales in excess of \$15 million a year.