



Department of Justice

Book

FOR IMMEDIATE RELEASE
THURSDAY, MAY 20, 1971

The Department of Justice filed a civil antitrust suit today seeking to have United Artists Theatre Circuit, Inc., of New York City divest itself of the assets of Prudential Theater Corporation of Merrick, New York, acquired in 1968.

Attorney General John N. Mitchell said the suit was filed in U.S. District Court in Brooklyn, New York.

The complaint charged that the acquisition of substantially all of the assets of Prudential by United Artists in July, 1968, violated Section 7 of the Clayton Act by increasing concentration and eliminating actual and potential competition between the two theatre circuits in the bidding for and exhibition of feature motion pictures in the New York Metropolitan Area and in Queens and Nassau Counties in the State of New York.

The complaint also charged that the acquisition has eliminated potential competition between United Artists and Prudential in feature motion picture bidding and exhibition in Suffolk County, New York.

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It said that United Artists' bargaining power with motion picture distributors has been entrenched to the detriment of smaller theatre circuits and individual theatres with which it competes for licenses to exhibit feature motion pictures.

Assistant Attorney General Richard W. McLaren, in charge of the Antitrust Division, said that United Artists, with approximately 300 theatres, operated the second largest theatre circuit in the United States at the time of the acquisition in 1968.

He also stated that Prudential, with approximately 85 theatres, was one of the nation's largest regional motion picture exhibitors at the time it was acquired.

In 1968, Prudential, with 64 theatres, and United Artists, with 60 theatres, accounted for approximately 8.5 and 8.0 percent, respectively, of all motion picture theatres in the New York metropolitan area.

Mr. McLaren said that United Artists and Prudential had even more substantial shares of the motion picture theatre market in Queens and Nassau Counties.

The Government seeks to have the acquisition declared illegal and to obtain an order requiring United Artists to divest itself of all assets acquired from Prudential.