



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, MAY 3, 1971

The Department of Justice filed a civil antitrust suit today charging Webster Electric Company, Inc. of Racine, Wisconsin, with conspiring with its distributors to allocate territories for the sale of the company's sound equipment.

Attorney General John N. Mitchell said the complaint and a proposed consent judgment, to become final in 30 days, were filed in the U.S. District Court in Milwaukee.

The suit charged that each distributor was allocated a certain market territory and confined his sales of Webster sound equipment to purchasers within that territory, in violation of Section 1 of the Sherman Act.

It also charged that distributors refrained from selling Webster sound equipment to customers who shipped such equipment into the market territory of another distributor for resale, and that Webster induced and coerced its distributors to refrain from making sales of Webster sound equipment to customers located in another distributor's territory.

As a result of these practices, the suit said, competition in the sale and distribution of Webster equipment has been eliminated and purchasers have been deprived of buying such equipment from suppliers of their own choice.

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Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said the consent decree forbids Webster from assigning the persons to whom or the territories in which any distributor may sell Webster sound equipment.

Webster sells its sound equipment directly to consumers and to over 200 distributors located throughout the United States. Its net sales of this equipment amounted to more than \$5 million in 1969.