



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, MAY 4, 1972

The Department of Justice filed a civil antitrust suit today charging Wayne Corporation of Richmond, Indiana, with conspiring with its distributors to allocate territories and maintain resale prices for the sale of the company's professional vehicles, including hearses, flower cars and ambulances.

Acting Attorney General Richard G. Kleindienst said the complaint and a proposed consent judgment -- which will become final in 30 days upon approval by the court -- were filed in the U.S. District Court in Indianapolis, Indiana.

The suit charged that each Wayne distributor was allocated a certain market territory, confined his sales or leases of Wayne professional vehicles to customers within that territory, and refrained from selling or leasing Wayne professional vehicles to customers located in another distributor's territory, in violation of Section 1 of the Sherman Act.

Acting Assistant Attorney General Walker B. Comegys, in charge of the Antitrust Division, said that the suit also charged that Wayne and its distributors have

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agreed to refrain from publicly advertising the resale prices of Wayne professional vehicles, and that Wayne has from time to time participated in the determination of its distributors' resale prices.

As a result of these practices, according to the complaint:

-- competition in the sale and distribution of Wayne professional vehicles has been eliminated;

-- distributors have been prevented from selling or leasing Wayne professional vehicles to customers of their own choice;

-- purchasers have been deprived of the opportunity to purchase Wayne professional vehicles in a free and competitive market; and,

-- prices of Wayne professional vehicles have been maintained at arbitrary and noncompetitive levels.

The proposed judgment enjoins Wayne and its corporate affiliate, Wayne Sales Financial Corporation, from assigning the persons to whom, the territories in which, or the prices at which any distributor may resell or lease Wayne professional vehicles.

Wayne, a wholly owned subsidiary of Indian Head, Inc. of New York City, assembles and sells its professional vehicles to distributors located throughout the United

States. Its sales of professional vehicles to distributors in 1970 amounted to about \$15 million.

Comments to the Department of Justice and the Court regarding the proposed judgment are invited from members of the public during the 30-day waiting period prior to the judgment becoming final.