



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed a civil antitrust suit today which charged an association of Philadelphia area roofing contractors with conspiring to limit the length of guarantees for replacement roofs to two years.

Attorney General Elliot L. Richardson said the complaint and a proposed consent judgment -- which will become final in 30 days upon approval by the Court -- were filed together in U.S. District Court in Philadelphia.

The Roofing, Metal and Heating Associates, Inc., an association of persons engaged primarily in the business of replacing and repairing roofs, was named defendant. Association members received more than \$7.5 million from their customers in 1972.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said the suit charged that the association and its members violated Section 1 of the Sherman Act by entering into an agreement to fix, stabilize and maintain guarantees by members on replacement roofs at two years.

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As a result of this practice, homeowners and others purchasing replacement roofs from members of the association have been deprived of the benefits of free and open competition regarding guarantees, the complaint alleged.

The proposed consent judgment would enjoin the association from:

- fixing, establishing, stabilizing, or maintaining the length, or other terms, of guarantees for the sale and installation of replacement roofs;
- fixing, establishing, stabilizing, or maintaining prices or other terms or conditions of sale in connection with the sale and installation of replacement roofs or for performing other related services; and
- urging, recommending, or suggesting in any manner that any of its members or any other person adopt or adhere to any particular guarantee period or to any price or other term or condition of sale in connection with the sale and installation of replacement roofs or for performing other related services.

The association is directed by the proposed judgement to publish a series of advertisements in the Sunday editions of two Philadelphia newspapers retracting previous advertisements published by the association which stated that replacement roofs could not be guaranteed for longer than two years.

The proposed judgment would provide that these advertisements also contain statements that each member of the association is free to give or offer his customers guarantees of whatever length of time and other terms as he may wish and as may be acceptable to his customers.

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