



Department of Justice

FOR IMMEDIATE RELEASE
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ATD

The Department of Justice filed a civil antitrust suit today challenging the acquisition of one metal bed frame manufacturer in North Carolina by another in Missouri.

Attorney General William B. Saxbe said the suit, charging that the acquisition violated Section 7 of the Clayton Act, was filed in U.S. District Court in Kansas City, Missouri.

Leggett & Platt, Inc. of Carthage, Missouri, acquired the Metal Bed Rail Company, of Lexington, North Carolina, on October 10, 1972.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that, as a result of the acquisition, actual and potential competition in the sale of metal bed rails east of the Rocky Mountains has been eliminated, and concentration in that market has been increased.

In 1971, the last full year prior to the acquisition, total sales of metal bed rails east of the Rockies were approximately \$28.3 million.

The complaint alleged that prior to the acquisition Leggett & Platt was the eighth largest manufacturer of metal bed frames and Metal Bed Rail was the fourth largest manufacturer of metal bed frames east of the Rocky Mountains.

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According to the complaint, in 1971 Leggett & Platt, with metal bed frame sales of \$1.4 million, had 5 percent of the metal bed frame market east of the Rocky Mountains, while Metal Bed Rail, with metal bed frame sales of \$1.9 million, had 6.7 percent of the metal bed frame market east of the Rockies.

The complaint also alleged that as a result of the acquisition the market share of the four largest manufacturers increased from 57.7 percent to 62.8 percent, and that Leggett & Platt moved from the eighth largest to the third largest manufacturer of metal bed frames.

Leggett & Platt's total sales for 1973 were approximately \$80 million.

The complaint asked that Leggett & Platt be required to divest all of the assets and interests acquired from Metal Bed Rail.

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