



Department of Justice

FOR IMMEDIATE RELEASE
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ATD

The Department of Justice today filed a criminal contempt petition and an amended civil contempt petition charging two Texas companies and their chief operating official with violating a 1969 consent judgment prohibiting them from suppressing competition in the linen rental supply business.

Attorney General William B. Saxbe said that the two petitions, which asked that the respondents show cause why they should not be held in criminal and civil contempt, were filed in the U.S. District Court in San Antonio, Texas.

Named in both petitions were Martin Linen Supply Company of San Antonio, Texas Sanitary Towel Supply Corp. of Dallas, and William B. Troy, president and controlling stockholder of both companies.

All three were charged with violating provisions of the consent judgment entered on June 2, 1969.

The judgment terminated a civil antitrust suit filed by the Justice Department on April 30, 1969, against the respondents and Tex-Mart Corp. of Brooklyn, New York, a holding company affiliated with the respondents.

The April, 1969, suit had charged the respondents with conspiring to restrain and monopolize the linen rental supply business in the State of Texas in violation of Sections 1 and 2 of the Sherman Act.

The June, 1969, judgment enjoined the respondents from engaging in a variety of anticompetitive practices designed to restrain or eliminate competition of other linen suppliers.

(OVER)

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that the contempt charges filed today were among those filed on December 9, 1971, in the same court.

On June 12, 1972, the district court dismissed a portion of the charges, and the government, in order to make clear the procedural posture of the case for an appeal, dismissed without prejudice the remaining counts.

On October 9, 1973, the Court of Appeals for the Fifth Circuit reversed the district court's dismissal and remanded the case for trial. Respondents sought an appeal in the U.S. Supreme Court but their petition was denied on February 19, 1974.

The contempt petitions reinstated the dismissed counts and charged the respondents with violating the judgment by attempting retaliatory sales campaigns in an effort to induce competitors to refrain from soliciting customers of Martin Linen Supply and Texas Sanitary Towel Supply Corp.

According to the petitions, the respondents also violated the judgment by threatening to put competitors out of business, trailing the delivery trucks of competitors, temporarily augmenting their sales forces, and offering free services to customers with the purpose or effect of eliminating competitors.

The criminal contempt petition asked that the respondents be punished for their past violations of the judgment.

The amended civil contempt petition asked that the respondents be ordered to cease and desist from carrying out retaliatory sales campaigns against competitors.

The petition also asked that the court provide for daily fines and imprisonment in the event that any respondent should fail to carry out the court's directions.