



# Department of Justice

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The Department of Justice today filed a civil Antitrust suit challenging the August 1976 acquisition of the California high purity industrial water service business of Aqua Media, Inc. by Arrowhead Puritas Waters, Inc.

Attorney General Edward H. Levi said the suit, which charges that the acquisition violates Section 7 of the Clayton Act, was filed in U. S. District Court in Los Angeles.

The suit names as defendants Aqua Media, Ltd. and A. M. Liquidating Co., both of Sunnyvale, California. These firms were organized to succeed to those business activities of Aqua Media, Inc., which remained after the acquisition by Arrowhead.

Additionally, along with Arrowhead of Los Angeles, the complaint names as a defendant Arrowhead's parent corporation, the Coca-Cola Bottling Company of Los Angeles.

Hugh P. Morrison, Jr., Acting Assistant Attorney General in charge of the Antitrust Division, said that both companies are engaged in providing high purity water to businesses in California and several other states.

Certain businesses require water which has been purified to a high degree by the total or substantial removal



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of minerals, organic compounds, or other dissolved matter.

These businesses include hospitals, laboratories, electronics manufacturers, food processors, pharmaceutical companies, metal finishing companies, electrical utilities, and government agencies.

The complaint charges that prior to the acquisition Arrowhead and Aqua Media were substantial competitors in the high purity industrial water service business in California. According to the complaint, Arrowhead had 25 percent and Aqua Media controlled over 45 percent of the \$15 million annual California market.

The complaint states that the acquisition gives Arrowhead approximately a 70 percent share of this market.

The effect of this acquisition, the complaint alleges, may be to lessen competition between the two companies as well as to increase concentration in California's high purity industrial water service industry.

The suit asks the Court to order Arrowhead to divest all of the assets acquired from Aqua Media in such a manner as will best foster an increase in competition. Alternatively, the complaint asks the Court to order the rescission of the acquisition agreement.

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