



# Department of Justice

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The Department of Justice today filed a civil antitrust suit to prevent Foremost-McKesson, Inc., the nation's largest liquor distributor, from acquiring the liquor and wine wholesaling business of two Las Vegas, Nevada, distributors.

Attorney General Edward H. Levi said the suit, which charged that the acquisition would violate Section 7 of the Clayton Act, was filed in U.S. District Court in Las Vegas.

In addition to Foremost-McKesson of San Francisco, the suit named as defendants the DeLuca Importing Co., Inc., and its subsidiary, Nevada Beverage Co., two major Las Vegas liquor and wine wholesalers. Also named in the suit was DeLuca Realty Corp., Inc., a real estate subsidiary of DeLuca Importing.

Foremost-McKesson is a diversified company engaged in land development and in the manufacture and distribution of foods, chemicals, drugs and other health care products. Its McKesson Wine & Spirits division is the exclusive United States distributor for a variety of wines and liquors.

The complaint charged that Foremost-McKesson and the Las Vegas companies entered into an agreement whereby Foremost-McKesson would acquire substantially all of the



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assets of the two wholesalers, including liquor and wine inventories, warehouse space, and employment contracts, for a total price of approximately \$6 million.

The acquisition is contingent upon Foremost-McKesson acquiring the rights to 90 percent of the liquor and wine wholesaling franchises now held by the two Las Vegas companies.

Donald I. Baker, Assistant Attorney General in charge of the Antitrust Division, said the complaint alleged that the proposed acquisition would eliminate competition between Foremost-McKesson and the two wholesalers and would increase concentration in the liquor and wine wholesaling business in the Greater Las Vegas area.

The complaint alleged that if the acquisition were completed Foremost-McKesson would rank first in wholesale liquor distribution in Greater Las Vegas, with 63.8 percent of a \$35 million annual wholesale liquor market, and second in wine wholesaling with 28.9 percent of a \$10 million annual wholesale wine market.

The suit seeks to have the proposed merger declared unlawful and permanently enjoined.

The suit also asks the court to issue a preliminary injunction preventing consummation of the merger pending final resolution of the matter.

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