



Department of Justice

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The Department of Justice today filed a civil antitrust suit against four motion picture theater exhibitors alleging a conspiracy to allocate motion pictures in Milwaukee, Wisconsin.

Attorney General Benjamin R. Civiletti said the suit, which alleges a violation of Section 1 of the Sherman Act, was filed in the United States District Court in Milwaukee.

Named as defendants were:

- Capitol Service, Inc., Milwaukee;
- Kohlberg Theatres, Inc., Chicago, Illinois;
- Marcus Theatre Corporation, Milwaukee, and
- United Artists Theatres Circuit, Inc., New York, New York.

Richard J. Favretto, Deputy Assistant Attorney General, Antitrust Division, said that the complaint alleges that, since 1977, the defendants had agreed to allocate among themselves motion pictures exhibited in the Milwaukee market.

Such agreements, which are known as "split" or "split-of-product" agreements, are arrangements by which motion picture exhibitors in a particular market allocate among themselves the right to negotiate or bid for films offered by distributors for exhibition in that market.

The four defendants together account for the bulk of the gross receipts from motion picture exhibition in the Milwaukee area.

(MORE)

This case is the first brought by the Department of Justice since it announced in 1977 that continuation of "split" agreements among motion picture exhibitors or distributors would subject them to appropriate legal action by the Antitrust Division. The Department's position is the subject of a current suit against the Attorney General by an exhibitor in Charlottesville, Virginia.

The complaint asks that the defendants be enjoined from allocating among themselves the motion pictures they will attempt to license or the distributors with whom they will deal.

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