



# Department of Justice

FOR IMMEDIATE RELEASE  
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AT  
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A federal grand jury in Los Angeles, California, today returned a felony indictment charging four wholesale distributors of health food products with conspiring to agree on prices and terms of sale.

Attorney General Benjamin R. Civiletti said the indictment and a companion civil suit, both charging a violation of Section 1 of the Sherman Act, were filed in U.S. District Court in Los Angeles. The defendants are:

- Kahan & Lessin Co., Compton, California, a subsidiary of Fleming Companies, Inc.;
- Landstrom Distributors, Inc., South San Francisco, California;
- Nature's Best, Inc., Torrance, California; and
- Tree of Life West, Inc., Sun Valley, California.

Sanford M. Litvack, Assistant Attorney General in charge of the Antitrust Division, said the indictment charges that beginning in October 1974 and continuing until about October 1978 the defendants conspired to agree on the prices and terms of sale of health foods at the wholesale level.

The suit charges that the defendants:

- discussed prices and terms of sale with each other;
- eliminated trade show discounts offered by distributors;
- prevented manufacturers and other suppliers from selling directly to retail stores;
- maintained the wholesale list price of certain products so as to provide a 25 percent gross margin to distributors.

(MORE)

In 1978, the defendant corporations had total sales in excess of \$50 million.

The maximum penalty upon conviction under the Sherman Act is a \$1 million fine for a corporation.

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