



Department of Justice

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The Department of Justice filed a civil complaint today seeking to enjoin the proposed acquisition of Bayuk Cigars, Inc., of Fort Lauderdale, Florida, by Jno. H. Swisher & Son, Inc., of Jacksonville, a subsidiary of American Maize-Products Company of Stamford, Connecticut.

Attorney General William French Smith said the suit, which names American Maize and Bayuk as defendants, was filed in U.S. District Court in Jacksonville, Florida.

The complaint alleges that the proposed acquisition would violate Section 7 of the Clayton Act by eliminating competition between the two companies in the manufacture and sale of cigars and substantially lessening competition in the cigar industry generally.

According to William F. Baxter, Assistant Attorney General in charge of the Antitrust Division, almost four billion cigars were sold in 1980. Their value at the manufacturing level was about \$425 million.

Swisher, with 1980 domestic sales of about 764 million cigars is the nation's second largest cigar manufacturer by

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volume of sales (number of cigars sold), with a market share of almost 20 percent. Its net sales of \$44,535,760 make Swisher the third largest manufacturer by dollar value of sales, with a market share of slightly more than 10 percent.

Bayuk, with 1980 domestic sales of 303 million cigars, is the nation's fourth largest cigar manufacturer by volume of sales, with a market share of almost 8 percent. Its net sales of \$27,546,000 make Bayuk the fifth largest manufacturer by dollar value of sales, with a market share of more than 6 percent.

According to the complaint, in 1980 the four largest domestic cigar manufacturers accounted for approximately 70 percent of total volume of sales and 60 percent of total dollar sales in the United States. The eight largest manufacturers accounted for approximately 86 percent of total volume of sales and 77 percent of total dollar sales.

Swisher's principal cigar brands are King Edward and Swisher Sweets. Bayuk's principal brands are Barcia y Vega and Phillies.

The complaint requests that the defendants be enjoined from carrying out any part of the proposed transaction.

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