



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JUNE 4, 1982

AT
202-633-2016

A federal grand jury in New York City today indicted six wholesale bakeries and six individuals for conspiring to fix prices for pastry in the New York metropolitan area and parts of New Jersey.

The bakeries are the six major wholesale producers of pastry for sale to restaurants, luncheonettes, hospitals, schools, office cafeterias and institutional caterers in the New York metropolitan area and parts of New Jersey.

They are also suppliers of pastry to jobbers located in New York, New Jersey, Pennsylvania and Connecticut.

The combined sales of pastry by them from 1977 through 1980 were more than \$100 million. The six individuals are present or former owners or officers of the wholesale bakeries or their predecessors.

Attorney General William French Smith said the felony indictment, which charges a violation of Section 1 of the Sherman Act, and a companion civil suit were filed in U.S. District Court in Manhattan.

Named as defendants in the indictment were:

- Danilow Pastry Co., Inc., Brooklyn, New York;
- Dan-San Pastry Shop, Inc., d/b/a/ Broadway Pastry Shop, Brooklyn;
- Ernst Oestreicher, general manager of Danilow and vice-president of Dan-San;
- Irving Sanders, part owner, secretary and general manager of Dan-San;
- R.K. Baking Corp., Brooklyn;

(MORE)

- Seymour Rappaport, part owner and president of R.K. Baking Co., a predecessor to R.K. Baking Corp.;
- Acme Cake Co., Inc., Brooklyn;
- William F. Wenzel, owner and president of Acme;
- Mrs. Mac's Baking Co., Inc., Newark, New Jersey;
- Robert F. McKenna, part owner and former president of Mrs. Mac's;
- John F. McKenna, part owner and secretary of Mrs. Mac's; and
- Temtee Donuts, Inc., Brooklyn.

William F. Baxter, Assistant Attorney General in charge of the Antitrust Division, said the indictment charged that beginning at least as early as the mid-1960s and continuing until at least March 1981 the defendants and various co-conspirators agreed to raise and fix the prices of pastry.

The civil suit names, in addition to the six indicted corporations, Kremo Baking Co., Inc. and Wens Cake Distribution Corp., affiliated distributors of pastry made by Danilow and Acme, respectively. It seeks injunctive relief based on the same allegations as those in the indictment.

The maximum penalty for each corporation upon conviction of the charge in the indictment is a fine of \$1 million. The maximum penalty upon conviction for each individual is a fine of \$100,000 and imprisonment for three years.