



Department of Justice

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The Department of Justice today filed a civil antitrust suit against Syufy Enterprises, a motion picture theater circuit headquartered in San Francisco, California, and its general partner, Raymond J. Syufy.

The suit was filed in the United States District Court in San Francisco.

Douglas H. Ginsburg, Assistant Attorney General in charge of the Antitrust Division, said the suit alleges that, since at least 1982, Syufy has attempted to monopolize, and since at least October 1984, has monopolized the business of first-run motion picture exhibition in Las Vegas, Nevada, in violation of Section 2 of the Sherman Act. The suit also alleges that Syufy's acquisition in October 1984 of the Red Rock Theatre in Las Vegas violated Section 7 of the Clayton Act, which prohibits anticompetitive acquisitions.

The complaint states that in 1981 there were four exhibitors regularly engaged in first-run exhibition in Las Vegas: Syufy Enterprises, Plitt Theatres, Inc., Mann Theatres Corporation of California, and Cragin Industries. In a series of acquisitions between 1982 and 1984, Syufy obtained control of all of its competitors' first-run theatres.

(MORE)

Recent antitrust enforcement efforts by the Department of Justice in the exhibition industry have focused on so-called "split" agreements among exhibitors. In a split, exhibitors in a local market agree not to compete for film licenses in order to reduce the licensing fees the exhibitors pay to film distributors. The courts have found splitting to be unlawful under the antitrust laws.

"Theater acquisitions that have the effect of creating market power in a single exhibitor present similar risks of economic harm and also violate the antitrust laws," Ginsburg said.

The suit filed today seeks as relief, among other things, the divestiture by Syufy of sufficient theaters to restore effective competition in the Las Vegas first-run exhibition market.

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