

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
) Civil No. 73-2301
 v.)
)
 ROOFING, METAL AND HEATING) Filed: October 11, 1973
 ASSOCIATES, INC.,)
)
 Defendant.)

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above-named defendant and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted under Section 4 of the Act of Congress of July 2, 1890, as amended (15 U.S.C. § 4), commonly known as the Sherman Act, in order to prevent and restrain the continuing violation by the defendant, as hereinafter alleged, of Section 1 of said Act (15 U.S.C. § 1).

2. The defendant maintains an office, transacts business and is found within the Eastern District of Pennsylvania.

II

DEFINITION

3. As used in this complaint, the term "person" means any individual, individual proprietorship, partnership, firm, corporation, or any other form of legal entity.

III

DEFENDANT

4. The Roofing, Metal and Heating Associates, Inc. (hereinafter referred to as RMHA) is made the defendant herein. RMHA is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and has its principal office in Philadelphia, Pennsylvania. RMHA is an association of persons engaged primarily in the business of replacing and repairing roofs.

IV

CO-CONSPIRATORS

5. Various other persons not made defendants herein participated as co-conspirators in the violation alleged herein and performed acts and made statements in furtherance thereof. These include persons who have been members of RMHA during all or part of the period covered by this complaint.

V

TRADE AND COMMERCE

6. The activities of RMHA and its members, as described herein, are within the flow of interstate commerce and have an effect upon that commerce.

7. The members of RMHA are primarily engaged in the replacement and repair of roofs on homes and other structures in Philadelphia, Pennsylvania, and in adjacent Pennsylvania and New Jersey counties. In connection with the replacement of roofs, the members of RMHA normally provide their customers a guarantee on both labor and materials as part of the transaction.

8. Substantial quantities of materials and supplies used by the members of RMHA in connection with the replacement of roofs are regularly sold and shipped to them in a

continuous and uninterrupted flow of interstate commerce by manufacturers and suppliers located in various states, including states other than those in which such members' businesses are located or where such members use such materials and supplies.

9. In 1972 the revenues of the members of RMHA were approximately \$7,500,000.

VI

VIOLATION ALLEGED

10. Beginning at least as early as January 1972 and continuing thereafter up to and including the date of the filing of this complaint, the defendant and co-conspirators have engaged in a combination and conspiracy to eliminate and suppress competition in the sale and installation of replacement roofs in unreasonable restraint of the aforesaid interstate trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1). Said combination and conspiracy is continuing and will continue unless the relief hereinafter prayed for is granted.

11. The aforesaid combination and conspiracy has consisted of a continuing agreement, understanding, and concert of action between the defendant and co-conspirators to fix, stabilize, and maintain guarantees on replacement roofs at two years.

12. For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendant and co-conspirators did those things which, as hereinabove alleged, they combined and conspired to do.

VII

EFFECTS

13. The aforesaid combination and conspiracy has had

the following effects, among others:

- (a) guarantees by RMHA members on replacement roofs have been fixed, stabilized, and maintained at artificial and noncompetitive levels;
- (b) competition among the members of RMHA on guarantees on replacement roofs has been restrained; and
- (c) homeowners and others purchasing replacement roofs from members of RMHA have been deprived of the benefits of free and open competition regarding guarantees.

PRAYER

WHEREFORE, the plaintiff prays:

1. That the Court adjudge and decree that the defendant and co-conspirators have engaged in an unlawful combination and conspiracy in restraint of the aforesaid interstate trade and commerce in violation of Section 1 of the Sherman Act.

2. That the Court order that the RMHA take necessary measures to rescind all limitations on guarantees its members may give or offer their customers.

3. That the defendant, its successors, transferees, assigns, and officers, directors, agents, and employees thereof, and every other person acting or claiming to act on behalf thereof, be perpetually enjoined and restrained from, in any manner, directly or indirectly:

- (a) Continuing, maintaining, or renewing the combination and conspiracy hereinbefore alleged, or from engaging in any other combination or conspiracy having a similar purpose or effect or from adopting or following any practice,

plan, program, or device having a similar purpose or effect; and

(b) Entering into any agreement, arrangement, or understanding with any person engaged in the roofing business to raise, fix, stabilize, or maintain prices, terms, or conditions of sale for the installation of roofs or for other services.

4. That the Court order the defendant to send a copy of the Final Judgment entered in this action to every person who was a member of RMHA during any part of the period covered by the complaint and, for a period of five years after entry of a Final Judgment in this action, to furnish a copy of such Final Judgment to every person who becomes a member of RMHA.

5. That the Court order RMHA to amend its Constitution, By-Laws, Code of Ethics, and other documents governing the operation of RMHA, to conform with the provisions of the Final Judgment entered in this action.

6. That the Court order RMHA to advertise to the general public:

(a) that the limitation of guarantees to two years, as previously announced, has been rescinded;

(b) that each member of RMHA is free to determine its own terms of sale, including the length of guarantees in connection with the installation of roofs; and

(c) that each such member of RMHA is free to charge, give, or offer for its services such prices, terms, or conditions as such member may desire.

7. That the plaintiff have such other, further, general, and different relief as the case may require and the Court may deem just and proper under the circumstances.

8. That the plaintiff recover the costs of this suit.



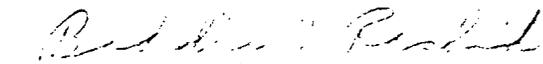
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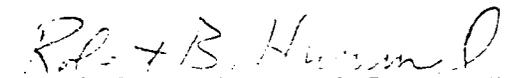
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