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15 UNITED STATES DISTRICT COURT

16 FOR THE DISTRICT OF OREGON

17 UNITED STATES OF AMERICA,  
18 Plaintiff,

19 v.

20 GREATER PORTLAND CONVENTION  
21 ASSOCIATION, INC.; HILTON HOTELS  
22 CORPORATION; ITT SHERATON  
23 CORPORATION OF AMERICA; WESTERN  
24 INTERNATIONAL HOTELS COMPANY; and  
25 COSMOPOLITAN INVESTMENT, INC.

26 Defendants.

27 CIV 70-310

28 COMPLAINT

29 FILED: May 12, 1970

30 The United States of America, plaintiff, by its attorneys,  
31 brings this action against the above named defendants and alleges  
32 as follows:

33 I

34 JURISDICTION AND VENUE

35 1. This complaint is filed under Section 4 of the Act of  
36 Congress of July 2, 1890, as amended (15 U.S.C. § 4), commonly  
37 known as the Sherman Act, in order to prevent and restrain con-  
38 tinuing violation by the defendants, as hereinafter alleged, of  
39 Section 1 of the Act (15 U.S.C. § 1).

40 2. Each of the defendants transacts business and is found  
41 within the District of Oregon.  
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II

DEFINITIONS

3. As used herein:

(a) The term "hotel" means any company, firm or other business entity that provides lodging and meals for the public.

(b) The term "hotel supplies" means any goods, services or other items including, but not limited to, meats, fruits, vegetables, fish, and paper products, purchased by hotels.

(c) The term "hotel supplier" means any company, firm, purveyor or other business entity selling or providing hotel supplies to hotels.

(d) The term "hotel defendants" means the corporations operating hotels located in Portland, Oregon, named as defendants herein. Whenever reference is made herein to the hotel defendants, such reference shall be deemed to include the subsidiaries and predecessors of such defendants.

III

THE DEFENDANTS

4. Each of the corporations named below is hereby made a defendant herein. The place and date of incorporation and principal place of business of each corporation are as follows:

<u>Name</u>	<u>State and Date of Incorporation</u>	<u>Principal Place of Business</u>
Hilton Hotels Corporation	Delaware 1946	Beverly Hills, California
Western International Hotels Company	Delaware 1966	Seattle, Washington
Cosmopolitan Investment, Inc.	Oregon 1959	Portland, Oregon

1           5. ITT Sheraton Corporation of America is hereby made a  
 2 defendant herein. ITT Sheraton Corporation of America (formerly  
 3 known as Sheraton Corporation of America) is a corporation  
 4 organized under the laws of the State of Delaware on February 28,  
 5 1968, and has its principal offices in Boston, Massachusetts.  
 6 ITT Sheraton Corporation of America is the successor corporation  
 7 of Sheraton Corporation of America, a corporation organized under  
 8 the laws of the State of New Jersey. Sheraton Corporation of  
 9 America (New Jersey) was dissolved on February 28, 1968. Portland  
 10 Sheraton Corporation, the owner of the Sheraton Motor Inn in  
 11 Portland, Oregon, was a wholly-owned subsidiary of Sheraton  
 12 Corporation of America (New Jersey) prior to February 28, 1968.  
 13 Portland Sheraton Corporation has been a wholly-owned subsidiary  
 14 of ITT Sheraton Corporation of America since that date.

15           6. During all or part of the period covered by this complaint  
 16 each of the hotel defendants operated a hotel located in Portland,  
 17 Oregon, as indicated below:

<u>Defendant</u>	<u>Hotel Operated</u>
Hilton Hotels Corporation	Hilton Hotel
ITT Sheraton Corporation of America	Sheraton Motor Inn
Western International Hotels Company	Hotel Benson
Cosmopolitan Investment, Inc.	Cosmopolitan Portland Motor Hotel

24           7. Greater Portland Convention Association, Inc. (hereinafter  
 25 referred to as GPCA) is hereby made a defendant herein. GPCA is  
 26 a nonprofit corporation organized in 1959 under the laws of the  
 27 State of Oregon, and has its principal offices in Portland, Oregon.  
 28 Various hotels, restaurants, hotel suppliers and similar businesses  
 29 located in and around Portland, Oregon, including the hotel de-  
 30 fendants, are members of GPCA.  
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IV

CO-CONSPIRATORS

8. Various corporations and individuals in the hotel and hotel supply business not named as defendants in this complaint participated as co-conspirators with the defendants in the offense charged herein and performed acts and made statements in furtherance thereof.

V

TRADE AND COMMERCE

9. Hotels in and around Portland, Oregon annually purchase over \$6,500,000 worth of hotel supplies. The hotel defendants themselves purchase approximately \$5,000,000 worth of hotel supplies annually, of which approximately \$4,000,000 worth is bought by hotel defendants from hotel suppliers located in and around Portland, Oregon. All or part of these supplies are utilized by hotels in providing lodging and food to the public.

10. A substantial amount of the hotel supplies purchased by the hotel defendants from said hotel suppliers originates in foreign countries and in states other than the State of Oregon and is shipped into the State of Oregon.

11. In response to or in anticipation of orders from customers in and around Portland, Oregon, including the hotel defendants, said hotel suppliers continuously purchase or otherwise receive a substantial volume of hotel supplies from sources located outside the State of Oregon and deliver those hotel supplies to said customers.

12. Said hotel suppliers act as a conduit through which hotel supplies flow in a continuous stream in interstate and foreign commerce from sources located outside the State of Oregon to the hotel defendants and other customers located in and around Portland, Oregon.

1 VI

2 OFFENSE CHARGED

3 13. Beginning at least as early as 1967 and continuing  
4 thereafter up to and including the date of the filing of this  
5 complaint, the defendants and co-conspirators have engaged in  
6 a combination and conspiracy in unreasonable restraint of the  
7 aforesaid interstate and foreign trade and commerce in hotel  
8 supplies in violation of Section 1 of the Act of Congress of  
9 July 2, 1890, as amended (15 U.S.C. § 1), commonly known as the  
10 Sherman Act. Said offense is continuing and will continue unless  
11 the relief hereinafter prayed for in this complaint is granted.

12 14. The aforesaid combination and conspiracy has consisted  
13 of a continuing agreement, understanding and concert of action  
14 among the defendants and co-conspirators, the substantial terms  
15 of which have been and are that:

16 (a) hotel suppliers in and around Portland,  
17 Oregon are each annually assessed an amount of money  
18 fixed by defendants and co-conspirators to be paid as  
19 a contribution to GPCA;

20 (b) the hotel defendants give or promise to  
21 give preferential treatment in purchasing hotel  
22 supplies to hotel suppliers who pay, or substantially  
23 pay, the GPCA assessments imposed upon them; and

24 (c) the hotel defendants curtail or threaten  
25 to curtail, in whole or in part, their respective  
26 purchases of hotel supplies from hotel suppliers  
27 who fail to pay, or substantially fail to pay, the  
28 GPCA assessments imposed upon them.

29 15. For the purpose of effectuating the aforesaid combination  
30 and conspiracy, the defendants and co-conspirators did those things  
31 which, as hereinbefore alleged, they have combined and conspired  
32

1 to do.

2 VII

3 EFFECTS OF THE COMBINATION AND CONSPIRACY

4 16. The aforesaid combination and conspiracy has had the  
5 following effects, among others:

6 (a) hotel suppliers, in order to sell hotel  
7 supplies to hotel defendants, have been forced to  
8 pay sums of money to GPCA for the benefit of de-  
9 fendants and co-conspirators;

10 (b) hotel suppliers have been deprived of  
11 the opportunity to compete freely in the sale of  
12 hotel supplies to the hotel defendants; and

13 (c) the flow of hotel supplies in inter-  
14 state and foreign commerce has been unreasonably  
15 burdened.

16 PRAYER

17 WHEREFORE, plaintiff prays:

18 1. That the Court adjudge and decree that the defendants  
19 and co-conspirators have combined and conspired to unreasonably  
20 restrain the aforesaid interstate and foreign trade and commerce  
21 in the sale of hotel supplies, as hereinabove alleged, in  
22 violation of Section 1 of the Sherman Act.

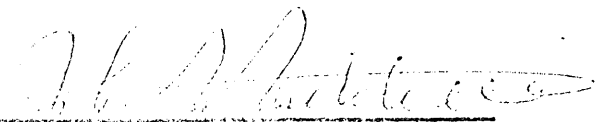
23 2. That each of the defendants, their successors, assignees,  
24 and transferees, and the officers, directors, agents and employees  
25 thereof, and all other persons acting or claiming to act on behalf  
26 thereof, be perpetually enjoined and restrained from, in any manner,  
27 directly or indirectly, continuing, maintaining, or renewing the  
28 aforesaid offense and from engaging in any other combination,  
29 conspiracy, contract, agreement, understanding, or concert of  
30 action having a similar purpose or effect and from adopting or  
31 following any practice, plan, program, or device having a similar  
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1 purpose or effect.

2 3. That the plaintiff have such other and further relief  
3 as the nature of the case may require and the Court may deem  
4 just and proper.

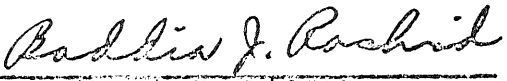
5 4. That the plaintiff recover the costs of this action.

6 Dated:  
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10   
11 JOHN N. MITCHELL  
12 Attorney General

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14 RICHARD W. McLAREN  
15 Assistant Attorney General

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