

1 JOSEPH L. WARD
United States Attorney
2 RAYMOND B. LITTLE
Assistant United States Attorney
3 Federal Building
4 300 Booth Street--Room 5011
Reno, Nevada 89502
Telephone: (702) 784-5439
5

6 MARQUIS L. SMITH
DON B. OVERALL
Antitrust Division
7 Department of Justice
450 Golden Gate Avenue--Room 16432
8 Box 36046
San Francisco, California 94102
9 Telephone: (415) 556-6300
10

11 UNITED STATES DISTRICT COURT
12 FOR THE DISTRICT OF NEVADA

13 UNITED STATES OF AMERICA,)
14 Plaintiff,)
15 v.) Civil Action No. R-2735
16 LEN HARRIS WHOLESALE)
MEATS, INC.;) COMPLAINT FOR INJUNCTIVE RELIEF
17 BLUE RIBBON MEAT COMPANY;) FOR VIOLATION OF SECTION 1, TITLE
SIERRA MEAT & PROVISION) 15, U.S.C. (Sherman Antitrust Act)
18 COMPANY, INC.;)
19 SILVER STATE MEAT COMPANY;)
and) Filed: September 12, 1972
20 CALVIN D. HEMPHILL, d/b/a)
PEERLESS MEAT COMPANY,)
21 Defendants.)

22 COMPLAINT

23 The United States of America, plaintiff, by its attorneys,
24 acting under the direction of the Attorney General of the United
25 States, brings this action against the above-named defendants,
26 and complains and alleges as follows:

27 I

28 JURISDICTION AND VENUE

29 1. This complaint is filed and this action is instituted
30 under Section 4 of the Act of Congress of July 2, 1890, as
31 amended (15 U.S.C. § 4), commonly known as the Sherman Act, in
32

1 order to prevent and restrain continuing violation by the
2 defendants, as hereinafter alleged, of Section 1 of that Act,
3 as amended (15 U.S.C. § 1).

4 2. The defendants maintain offices, transact business,
5 or are found within the District of Nevada.

6 II

7 THE DEFENDANTS

8 3. Each of the corporations named below is made a
9 defendant herein. Each of said defendants is organized and
10 exists under the laws of the State of Nevada and each has its
11 principal place of business at the location indicated.

12 <u>Defendant</u>	13 <u>Principal Place</u>
14 <u>Company</u>	15 <u>of Business</u>
16 Len Harris Wholesale Meats, Inc.	Reno, Nevada
17 Blue Ribbon Meat Company	Sparks, Nevada
18 Sierra Meat & Provision Company, Inc.	Reno, Nevada
19 Silver State Meat Company	Reno, Nevada

20 Within the period covered by this complaint, each of said
21 corporations was engaged in business as a wholesaler of meat
22 in the Reno and Lake Tahoe area.

23 4. Calvin D. Hemphill is made a defendant herein. During
24 the period covered by this complaint, Calvin D. Hemphill was
25 engaged in business as a wholesaler of meat in the Reno and
26 Lake Tahoe area operating as a sole proprietorship under the
27 name of Peerless Meat Company.

28 III

29 CO-CONSPIRATORS

30 5. Various other persons, firms, and corporations not
31 made defendants herein participated as co-conspirators in the
32 violation hereinafter alleged and performed acts and made
statements in furtherance thereof.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

IV

DEFINITIONS

6. As used herein:

(a) "Reno and Lake Tahoe area" means the Cities of Reno, Sparks, Carson City, and Fallon, Nevada and the cities and towns in the vicinity of Lake Tahoe and the environs of all of said cities; and

(b) "ground beef", which is also known as hamburger, means a ground beef product composed of beef trimmings and bull meat, and includes ground beef in both bulk and patty form.

V

TRADE AND COMMERCE

7. The defendant wholesalers are the principal meat wholesalers in the Reno and Lake Tahoe area. In 1971 sales of all meat products by defendant wholesalers totaled approximately \$12 million. In 1971 defendant wholesalers sold approximately 1,500,000 pounds of ground beef, having a wholesale value of approximately \$.9 million. Such defendants sell ground beef to customers in Nevada and California, including hospitals, public schools, the University of Nevada, the Nevada State Prison, other public institutions, restaurants, hotels, and casinos. The plants of defendant wholesalers are located in Nevada.

8. Almost all of the meat utilized by the defendant wholesalers in the manufacture of ground beef sold in Nevada originates in foreign countries and states other than the State of Nevada and is shipped in interstate and foreign commerce into the State of Nevada. Such meat is purchased

1 in response to or in anticipation of orders from customers of
2 defendant wholesalers. Thus, there is a regular and continuous
3 substantial flow of meat in interstate commerce from its places
4 of origin into Nevada where defendant wholesalers' plants are
5 located and where it is used in the manufacture of ground beef,
6 and from there to customers of the defendant wholesalers.

7 9. A substantial amount of the aforesaid ground beef
8 sold by the defendant wholesalers is purchased by customers
9 located in the State of California and is shipped by said
10 defendants in interstate commerce into the State of California.
11 Thus, there is a regular and continuous substantial flow of
12 ground beef in interstate commerce from the plants in Nevada
13 to customers outside the State of Nevada.

14 10. In response to or in anticipation of orders from the
15 Washoe County School District located in Nevada, the defendant
16 wholesalers continuously purchase a substantial volume of frank-
17 furters from sources located outside the State of Nevada and
18 deliver said frankfurters in interstate commerce to said Washoe
19 County School District. Thus, there is a regular and continuous
20 substantial flow in interstate commerce of frankfurters from
21 their places of origin outside the State of Nevada to the
22 Washoe County School District.

23 VI

24 VIOLATION ALLEGED

25 11. Beginning sometime before 1969, the exact date being
26 to the plaintiff unknown, and continuing thereafter up to and
27 including the date of the filing of this complaint, the defendants
28 Len Harris Wholesale Meats, Inc., Blue Ribbon Meat Company,
29 Sierra Meat & Provision Company, Inc., and Calvin D. Hemphill,
30 and co-conspirators have engaged in a combination and conspiracy
31 to eliminate and suppress competition in the sale of ground beef
32

1 and frankfurters in unreasonable restraint of the aforesaid
2 interstate and foreign trade and commerce in violation of
3 Section 1 of the Sherman Act. Defendant Silver State Meat
4 Company entered the conspiracy sometime in 1971 and thereafter
5 participated therein.

6 12. The aforesaid combination and conspiracy is con-
7 tinuing and will continue unless the relief hereinafter prayed
8 for is granted.

9 13. The aforesaid combination and conspiracy has con-
10 sisted of a continuing agreement, understanding, and concert
11 of action among the defendants and co-conspirators, the sub-
12 stantial terms of which have been and are:

- 13 (a) to submit collusive and rigged bids for
14 the sale of ground beef and frankfurters
15 to the Washoe County School District;
16 (b) to submit collusive and rigged bids and
17 quotations for the sale of ground beef to
18 other customers and potential customers of
19 the defendant wholesalers; and
20 (c) to fix, raise, stabilize, and maintain
21 prices of ground beef sold by defendant
22 wholesalers.

23 14. For the purpose of forming and effectuating the
24 aforesaid combination and conspiracy, the defendants and
25 co-conspirators did those things which they combined and
26 conspired to do.

27 VII

28 EFFECTS

29 15. The aforesaid combination and conspiracy has had
30 the following effects, among others:
31
32

- 1 (a) competition among the defendant wholesalers
2 in the sale of ground beef and frankfurters
3 to the Washoe County School District and in
4 the sale of ground beef to other customers of
5 defendant wholesalers has been suppressed and
6 restrained;
- 7 (b) the Washoe County School District has been
8 deprived of the opportunity to purchase
9 ground beef and frankfurters in an open and
10 competitive market;
- 11 (c) other customers of the defendant wholesalers
12 have been deprived of the opportunity to
13 purchase ground beef in an open and competitive
14 market; and
- 15 (d) prices of ground beef and frankfurters sold by
16 the defendant wholesalers have been fixed,
17 raised, stabilized, and maintained at artifi-
18 cial and noncompetitive levels.

19 PRAYER

20 WHEREFORE, plaintiff prays:

- 21 1. That the Court adjudge and decree that the defendants
22 and co-conspirators have engaged in an unlawful combination and
23 conspiracy in restraint of the aforesaid interstate and foreign
24 trade and commerce in the sale of ground beef and frankfurters
25 in the Reno, Nevada and Lake Tahoe area in violation of Section
26 1 of the Sherman Act.
- 27 2. That each of the defendants, their officers, directors,
28 agents, and all other persons acting or claiming to act on their
29 behalf be perpetually enjoined and restrained from, in any manner,
30 directly or indirectly, continuing, maintaining, or renewing
31 the combination and conspiracy hereinbefore alleged, or from
32

