

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

UNITED STATES OF AMERICA,
Plaintiff,

v.

SOCIETY OF INDEPENDENT GASOLINE
MARKETERS OF AMERICA;
AMERADA HESS CORPORATION;
ASHLAND OIL, INC.;
CONTINENTAL OIL COMPANY;
CROWN CENTRAL PETROLEUM
CORPORATION;
KAYO OIL COMPANY;
THE MEADVILLE CORPORATION; and
PETROLEUM MARKETING CORPORATION,
Defendants.

Civil Action

No. 76-823

Filed: June 1, 1976

COMPLAINT

The United States of America, plaintiff herein, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action against the defendants named herein, and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and these proceedings are 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 violation by the defendants, as hereinafter alleged, of Section 1 of said Act (15 U.S.C. §1).

2. Amerada Hess Corporation, Ashland Oil, Inc., Continental Oil Company, Crown Central Petroleum Corporation, Kayo Oil Company, The Meadville Corporation and Petroleum Marketing Corporation maintain offices and/or gasoline storage facilities, transact business and are found within the District of Maryland.

II

DEFINITION

3. As used herein the term "Middle Atlantic states" means the states of New York, Pennsylvania, New Jersey, Delaware, Maryland and Virginia, and the District of Columbia.

III

THE DEFENDANTS

4. The Society of Independent Gasoline Marketers of America (hereinafter "SIGMA") is made a defendant herein. SIGMA, which is incorporated under the laws of the state of Missouri with headquarters at St. Louis, Missouri, is a trade association with members who are engaged in the retail marketing of gasoline.

5. The corporations named below are made defendants herein. Each of said corporations is organized and exists under the laws of the state and has its principal place of business in the city indicated below:

<u>Corporation</u>	<u>State of Incorporation</u>	<u>Principal Place of Business</u>
Amerada Hess Corporation (hereinafter "Hess")	Delaware	New York, New York
Ashland Oil, Inc. (hereinafter "Ashland")	Kentucky	Ashland, Kentucky

<u>Corporation</u>	<u>State of Incorporation</u>	<u>Principal Place of Business</u>
Continental Oil Company (hereinafter "Continental")	Delaware	Stamford, Connecticut
Crown Central Petroleum Corporation (hereinafter "Crown")	Maryland	Baltimore, Maryland
Kayo Oil Company (hereinafter "Kayo")	Delaware	Chattanooga, Tennessee
The Meadville Corporation (hereinafter "Meadville")	New Jersey	Ardmore, Pennsylvania
Petroleum Marketing Corporation (hereinafter "PMC")	Delaware	McLean, Virginia

During all or part of the period of time covered by this complaint said defendants engaged in the business of marketing gasoline in the Middle Atlantic states.

IV

CO-CONSPIRATORS

6. Various corporations and individuals not made defendants in this complaint participated as co-conspirators with the defendants in the violation alleged herein, and performed acts and made statements in furtherance thereof.

V

TRADE AND COMMERCE

7. Each of the defendant corporations is engaged in the retail marketing of gasoline in the Middle Atlantic states either directly through company-owned and operated outlets or through dealers operating service stations under brands owned and controlled by the defendants. In addition, defendants Hess, Ashland, Continental, Crown and PMC sell gasoline at wholesale to other retail marketers operating in said area.

8. In terms of gasoline marketing in the Middle Atlantic states, the defendant corporations and their customer-marketers are known as "independents" who customarily sell gasoline through high volume, limited service outlets at prices several cents a gallon below the prices of the branded stations of the major oil companies.

9. The defendant corporations are the leading independent brand marketers in the Middle Atlantic states. In said area defendant Hess markets under the "Hess" brand; Ashland under the "Red Head," "Payless," "Bi-Lo," "Hi-Fy" and "Rotary" brands; Continental and Kayo under the "Kayo" brand; Crown under the "Crown" brand; Meadville under the "Merit," "Save Way" and "Martin" brands; and PMC under the "Scot" brand.

10. The defendant corporations and their customer-marketers have accounted for a substantial portion of total gasoline sales in the Middle Atlantic states. During the period of time covered by this complaint, the total sales of gasoline through stations owned or controlled by the defendants amounted to approximately 17 billion gallons valued at approximately \$4 billion.

11. During said period the defendant corporations sold substantial quantities of gasoline in a continuous and uninterrupted flow of interstate commerce to customers located in states other than the states in which such gasoline was manufactured and to customers travelling in interstate commerce.

VI

VIOLATION ALLEGED

12. Beginning at least as early as 1967, the exact date being unknown to the plaintiff, and continuing thereafter

until November 1974, the defendants and co-conspirators engaged in a continuing combination and conspiracy in unreasonable restraint of the aforesaid interstate trade and commerce in violation of Section 1 of the Act of Congress of July 2, 1890, as amended prior to December 21, 1974 (15 U.S.C. §1), commonly known as the Sherman Act. Said combination and conspiracy is likely to recur unless the relief hereinafter prayed for is granted.

13. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding and concert of action among the defendants and co-conspirators, the substantial terms of which were to fix, raise, maintain and stabilize the retail prices of gasoline.

14. For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants and co-conspirators have done those things which they combined and conspired to do including, among other things, the following:

(a) used SIGMA as a clearing house for gasoline pricing information in order to coordinate price increases and to eliminate discounts and settle pricing disputes;

(b) telephoned or otherwise contacted one another to exchange and discuss current and future retail gasoline prices;

(c) telephoned or otherwise contacted one another to coordinate price increases;

(d) telephoned or otherwise contacted one another to eliminate discounts in the form of price reductions or the granting of premiums;

(e) telephoned or otherwise contacted one another to police the agreement and secure adherence to agreed-upon increased prices; and

(f) met at the occasion of SIGMA meetings and discussed pricing strategy, including the coordinated increase of retail gasoline prices and the curtailment and elimination of price cutting and discount practices.

VII

EFFECTS

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

(a) prices of gasoline have been raised to and maintained and stabilized at artificial and non-competitive levels;

(b) buyers of gasoline have been deprived of free and open competition in the purchase of gasoline; and

(c) competition in the sale of gasoline among the defendants and co-conspirators has been restrained:

PRAYER

~~WHEREFORE~~, the plaintiff prays:

1. That, pursuant to Section 5 of the Sherman Act (15 U.S.C. §5), the Court order a summons to be issued to SIGMA commanding it to appear and answer the allegations contained in the complaint, and to abide by and perform such orders and decrees as this Court may make in the premises.

2. That the Court adjudge and decree that the defendants named in this complaint have engaged in an unlawful combination and conspiracy in restraint of the aforesaid trade and commerce in violation of Section 1 of the Sherman Act.

3. That each of the defendants named in this complaint, its successors, assignees, and transferees, and the respective officers, directors, agents, and employees thereof and all persons acting or claiming to act on behalf thereof, be perpetually enjoined and restrained from continuing, maintaining or renewing, directly or indirectly, 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.

4. That each of the defendants named in this complaint, its successors, assignees, and transferees, and the respective officers, directors, agents and employees thereof, and all persons acting or claiming to act on behalf thereof, be perpetually enjoined and restrained from communicating any information concerning prices, terms or conditions of sale of gasoline to any other person engaged in the sale of gasoline or to any association whose members are engaged in the sale of gasoline, except to the extent necessary in connection with a bona fide purchase or sales transaction between the parties to such communication.

5. That the Court order each defendant periodically to advise each of its officers, directors and employees of the provisions of any judgment entered by this Court, and of its and their duties and obligations under that judgment and under the antitrust laws, and to file with the Court and with plaintiff reports setting forth the steps each defendant has taken to comply with that order.

6. That plaintiff shall have other further and different relief such as the dissolution of SIGMA or other affirmative measures as the Court may deem just and proper.

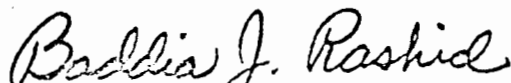
7. That the plaintiff recover the cost of this suit.

/s/ Thomas E. Kauper


THOMAS E. KAUPER
Assistant Attorney General



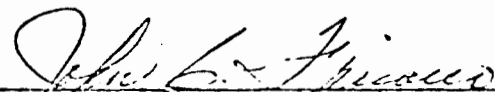
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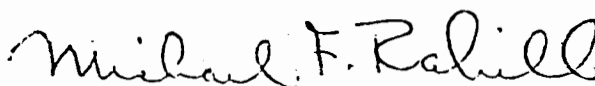


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