

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

G. HEILEMAN BREWING CO., INC.
and ASSOCIATED BREWING COMPANY,

Defendants.

Civil Action No. 38162

Filed: 4/17/72

C O M P L A I N T

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 defendants, and complains and alleges as follows:

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted against the defendants under Section 15 of the Act of Congress of October 15, 1914 (15 U.S.C. § 25), as amended, commonly known as the Clayton Act, in order to prevent and restrain the violation by the defendants, as hereinafter alleged, of Section 7 of said Act (15 U.S.C. § 18), as amended.

2. The defendant Associated Brewing Company transacts business and is found within the Eastern

District of Michigan. Associated Brewing Company's central office is located in Detroit, Michigan.

3. The defendant G. Heileman Brewing Co., Inc., transacts business within the Eastern District of Michigan.

DEFENDANTS

4. Associated Brewing Company (hereinafter referred to as Associated), is named a defendant herein. Associated is a corporation organized and existing under the laws of the State of Michigan, with its principal office in Detroit, Michigan.

5. G. Heileman Brewing Co., Inc. (hereinafter referred to as Heileman), is named a defendant herein. Heileman is a corporation organized and existing under the laws of the State of Wisconsin, with its principal office in La Crosse, Wisconsin.

TRADE AND COMMERCE

6. Associated through its division Jacob Schmidt Brewing Co. owns and operates a brewery at St. Paul, Minnesota. Through its wholly owned subsidiary Drewrys Limited U.S.A., Inc., Associated also owns and operates a brewery at South Bend, Indiana. Associated's wholly owned subsidiary Drewrys Limited U.S.A., Inc., in turn has a wholly owned subsidiary Piel Bros., Inc. which owns and operates a brewery at Brooklyn, N. Y. and a brewery at Willimansett, Massachusetts. Through its wholly owned subsidiary Sterling Brewers Inc., Associated also owns and operates a brewery at

Evansville, Indiana. Heileman owns breweries located at La Crosse and Sheboygan, Wisconsin, and Newport, Kentucky.

7. Each of the breweries referred to in paragraph 6 above produces, sells and ships beer across state lines, in interstate commerce.

8. In 1971 Associated ranked as the nation's eleventh largest brewer of beer and Heileman as the nation's fifteenth largest brewer. Each company has substantial sales of beer in the United States as a whole and each is in substantial competition with the other in the states of Minnesota, Michigan, Indiana, Kentucky, Iowa, Wisconsin, Ohio and Illinois. In Minnesota, for example, Associated had 20.5 per cent of total beer sales in 1971 and Heileman had 3.8 per cent, for a combined total of 24.3 per cent. In Kentucky, Associated had 16.9 per cent of total beer sales in 1971 and Heileman had 7.8 per cent, for a combined total of 24.7 per cent. And in Indiana, Associated had 7.7 per cent of total sales in 1971 and Heileman had 7.0 per cent, for a combined total of 14.7 per cent. Associated's sales in Minnesota, Michigan, Indiana, Kentucky, Iowa, Wisconsin, Ohio and Illinois are made from its breweries located at St. Paul, South Bend and Evansville.

9. There is and has been for many years a trend toward concentration in the production and sale of beer in the United States as a whole and in the aforesaid states thereof.

OFFENSE CHARGED

10. On April 9, 1972, Associated and Heileman entered into a contract pursuant to which Heileman will buy, on April 22, 1972, Associated's breweries.

located at St. Paul, South Bend and Evansville. Associated will retain the two Piel Bros., Inc., breweries located at Brooklyn, N.Y. and Willimansett, Massachusetts.

11. The aforesaid acquisition of Associated's St. Paul, South Bend and Evansville breweries by Heileman may substantially lessen competition in the production and sale of beer in the United States, in each of the states of Minnesota, Michigan, Indiana, Kentucky, Iowa, Wisconsin, Ohio and Illinois, and in various groupings of said states, in violation of Section 7 of the Clayton Act, in the following ways among others:

(a) Actual and potential competition between Associated and Heileman in the production and sale of beer will be eliminated;

(b) Actual and potential competition generally in the sale of beer may be substantially lessened;

(c) Associated will be eliminated as an independent competitive factor in the production and sale of beer, except on the East Coast;

(d) Concentration in the sale of Beer will be increased;

(e) The aforesaid acquisition by Heileman of Associated's breweries may trigger other mergers in the beer industry.

PRAYER

WHEREFORE, Plaintiff prays:

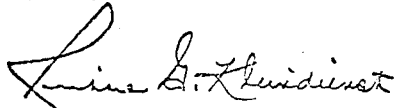
1. That the proposed acquisition of Associated's breweries by Heileman be adjudged to be a violation of Section 7 of the Clayton Act.

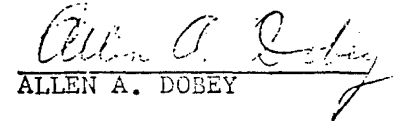
2. That the defendants be enjoined from carrying out the aforesaid proposed acquisition.

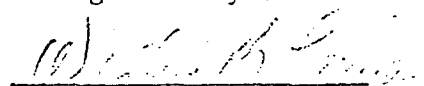
3. That pending final adjudication of this case on the merits a preliminary injunction issue enjoining the defendants from taking any further action in connection with the proposed sale of any of Associated's breweries to Heileman.

4. That the plaintiff have such other and further relief as the Court may deem just and proper.

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


RICHARD G. KLEINDIENST
Acting Attorney General

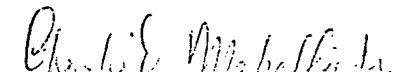

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Dated: