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8 UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 UNITED STATES OF AMERICA,)
11 Plaintiff,) Civil No. C-75-837
12 v.) Filed: December 3, 1975
13 COLLISION CONSULTANTS,) COMPLAINT
14 Defendant.)

15
16 The United States of America, plaintiff, by its attorneys,
17 acting under the direction of the Attorney General of the
18 United States, brings this civil action against the above-
19 named defendant, and complains and alleges as follows:

20 I

21 JURISDICTION AND VENUE

22 1. This complaint is filed and proceedings are insti-
23 tuted under Section 4 of the Act of Congress of July 2, 1890,
24 as amended (15 U.S.C. §4), commonly known as the Sherman Act,

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

4 2. The defendant maintains an office, transacts business
5 and is found within the Western District of Washington.

6 II

7 DEFINITIONS

8 3. As used herein:

9 (a) "Parts" means any portion of an automobile
10 except the motor and its components.

11 (b) "Body repair shop" means any person engaged in
12 the performance and sale of a body repair job.

13 (c) "Person" means any individual, partnership, or
14 corporation.

15 III

16 THE DEFENDANT

17 4. Northwest Collision Consultants, hereinafter
18 referred to as the "defendant NCC," is hereby made a
19 defendant. Defendant NCC is a corporation organized and
20 existing under the laws of the State of Washington, having
21 its principal place of business in the City of Seattle,
22 Washington. Most of the members of defendant NCC are
23 individuals, partnerships, and corporations engaged in
24 business as independent auto body repair shops. As of
25 December 13, 1974, there were approximately one hundred
26 active members of defendant NCC with combined annual gross
27 sales estimated to be in excess of \$5,000,000. Most of the
28 members of defendant NCC reside within the Western District
29 of Washington.

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IV

CO-CONSPIRATORS

5. Various individuals and companies including the members and former members of the defendant NCC, other body repair shops, and other persons not named as defendants herein participated as co-conspirators in the violation hereinafter alleged, and performed acts and made statements in furtherance thereof.

V

TRADE AND COMMERCE

6. The cost of body repair jobs is composed of two ingredients: (1) a charge for the new or used parts utilized by body repair shops in the repair of damaged automobiles and (2) a time charge or hourly rate applied to the length of time that each body repair job requires. The time charge or hourly rate includes not only wages paid to the employees of body repair shops, but also includes taxes, insurance, office and other administrative expenses and a profit margin.

7. Nearly all of the new and used parts utilized by body repair shops in the State of Washington in the performance of body repair jobs are manufactured outside the State of Washington.

8. New parts are normally ordered by body repair shops in the State of Washington from local new car dealers on a job-by-job basis. Since these dealers do not maintain complete inventories of parts for all the years and models of cars sold, they must and do frequently place special orders with manufacturers' factories, depots, and warehouses located outside the State of Washington in order to fill the prior orders of the body repair shops. A substantial amount of new parts are ordered and sold in this manner. Body repair shops sometimes bypass local new car dealers and

1 order new parts directly from suppliers located outside the
2 State of Washington. Out-of-state suppliers sometimes ship
3 parts directly to body repair shops in the State of Washington.
4 There is, and has been during the period covered by this
5 complaint, a regular, continuous, and substantial flow in
6 interstate commerce of new parts from suppliers located
7 outside the State of Washington through new car dealers and
8 body repair shops to their ultimate use within the State of
9 Washington.

10 9. From time to time, within the period covered by this
11 complaint, automobiles damaged while passing through the
12 State of Washington on interstate journeys were repaired by
13 body repair shops in the State of Washington including
14 members of the defendant NCC.

15 VI

16 VIOLATION ALLEGED

17 10. Beginning at least as early as December 1973 and
18 continuing thereafter up to and including December 13, 1974,
19 the defendant NCC and co-conspirators have engaged in a
20 combination and conspiracy in unreasonable restraint of the
21 aforesaid interstate trade and commerce in violation of
22 Section 1 of the Act of Congress of July 2, 1890, as amended
23 (26 Stat. 209, 15 U.S.C. § 1), commonly known as the
24 Sherman Act. Said combination and conspiracy may continue or
25 reoccur unless the relief hereinafter prayed for is granted.

26 11. The aforesaid combination and conspiracy has con-
27 sisted of a continuing agreement, understanding, and concert
28 of action among the defendant NCC and co-conspirators, the
29 substantial terms of which have been:

30 (a) to raise, fix, and maintain hourly rates
31 charged by body repair shops;

1 (b) to eliminate discounts on new parts utilized
2 in the performance of body repair jobs; and

3 (c) to raise, fix and maintain prices charged by
4 body repair shops for the performance of body repair jobs.

5 12. In formulating and effectuating the aforesaid
6 combination and conspiracy, the defendant and co-conspirators
7 did those things which they combined and conspired to do,
8 including, among other things, the following:

9 (a) held meetings at which they entered into the
10 aforesaid combination and conspiracy;

11 (b) contacted persons not represented at meetings
12 and attempted to induce them to enter into the aforesaid
13 combination and conspiracy;

14 (c) agreed to urge that members of the defendant
15 NCC utilize a uniform profit margin of ten per cent in
16 computing their hourly rates;

17 (d) agreed not to accept body repair jobs in
18 situations involving a dispute over another body repair
19 shop's hourly rate;

20 (e) threatened and otherwise attempted to pressure
21 and persuade members of defendant NCC and other persons not
22 to deviate from the terms of the aforesaid combination and
23 conspiracy; and

24 (f) employed and utilized pickets in such a way as
25 to falsely imply the existence of a labor dispute at the
26 premises of a body repair shop who did not participate in
27 the aforesaid combination and conspiracy.

28 VII

29 EFFECTS

30 13. The aforesaid combination and conspiracy had the
31 following effects, among others:

1 (a) Competition between and among members of the
2 defendant NCC and co-conspirators has been restricted,
3 suppressed, and restrained.

4 (b) Prices of body repair jobs have been fixed,
5 raised, stabilized, and maintained at noncompetitive and
6 artificial levels.

7 (c) Owners of damaged automobiles have been
8 deprived of the opportunity to purchase body repair jobs
9 at competitive prices and to receive competitive bids
10 therefor.

11 PRAYER

12 WHEREFORE, plaintiff prays:

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

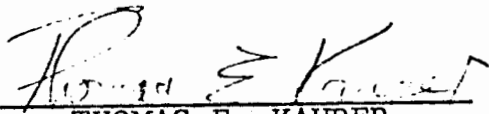
17 2. That the defendant, its officers, directors, agents,
18 employees, and successors and all other persons acting or
19 claiming to act on its behalf be enjoined and restrained
20 from, in any manner, directly or indirectly, continuing,
21 maintaining, or renewing the combination and conspiracy
22 hereinbefore alleged, or from engaging in any other
23 combination, conspiracy, contract, agreement, understanding,
24 or concert of action having a similar purpose or effect,
25 and from adopting or following any practice, plan, program,
26 or device having a similar purpose or effect.

27 3. That the defendant be directed to serve a copy of
28 any final judgment entered in this case upon each of its
29 members.
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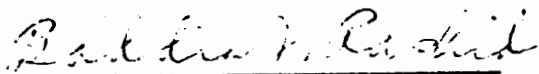
1 4. That the plaintiff have such other and further
2 relief as the nature of the case may require and the Court
3 may deem just and proper.

4 5. That the plaintiff recover its taxable costs.

5 ~~Dated:~~

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