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7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10
11 UNITED STATES OF AMERICA,)
12)
Plaintiff,) Civil Action No. CV 78-3659-RJK
13)
v.) COMPLAINT
14)
ESSEX GROUP, INC.;) (15 U.S.C. §§ 1 and 4)
15 CONTINENTAL COPPER & STEEL)
INDUSTRIES, INC.;) Antitrust Injunction
16 AMERICAN INSULATED WIRE CORP.;)
CYPRUS WIRE & CABLE CO.;) Filed: September 21, 1978
17 SOUTHWIRE COMPANY, INC.; and)
TRIANGLE PWC, INC.,)
18)
Defendants.)

19
20 The United States of America, plaintiff herein, by its attorneys,
21 acting under the direction of the Attorney General of the United
22 States, brings this civil action to obtain equitable relief against
23 the defendants named herein, and complains and alleges as follows:

24 I

25 JURISDICTION AND VENUE

26 1. This complaint is filed and these proceedings are
27 instituted under Section 4 of the Sherman Act (15 U.S.C. § 4), in
28

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

3 2. During the period of time covered by this complaint,
4 each of the defendants transacted business and was found within
5 the Central District of California. In addition, defendants Essex
6 Group, Inc., Continental Copper & Steel Industries, Inc., Cyprus
7 Wire & Cable Co., and Triangle PWC, Inc., maintained offices within
8 the Central District of California.

9 II

10 DEFINITIONS

11 3. As used herein, the term "copper building wire" means
12 copper wire and cable used for the transmission of light and
13 power in permanent installations, utilizing 600 volts or less,
14 having Underwriters' Laboratory labels, and including cables used
15 for service entrance.

16 III

17 THE DEFENDANTS

18 4. Each of the corporations named below is made a defendant
19 herein. Each of said defendants is incorporated and exists under
20 the laws of the state listed opposite its name, with its principal
21 place of business in the city listed. During all or part of the
22 period of time covered by this complaint, each of said defendants
23 engaged in the business of manufacturing and selling copper
24 building wire in the United States.

| 25 <u>Corporation</u> | 26 <u>State of Incorporation</u> | 27 <u>Principal Place of Business</u> |
|---|----------------------------------|---------------------------------------|
| 28 Essex Group, Inc. | Michigan | Ft. Wayne, Indiana |
| Continental Copper & Steel Industries, Inc. | Delaware | New York, New York |

| <u>Corporation</u> | <u>State of Incorporation</u> | <u>Principal Place of Business</u> |
|-------------------------------|-------------------------------|------------------------------------|
| American Insulated Wire Corp. | Rhode Island | Pawtucket, Rhode Island |
| Cyprus Wire & Cable Co. | Nevada | Reno, Nevada |
| Southwire Company, Inc. | Georgia | Carrollton, Georgia |
| Triangle PWC, Inc. | Delaware | New Brunswick, New Jersey |

IV

CO-CONSPIRATORS

5. Various other persons, not made defendants in this complaint, have participated as co-conspirators with the defendants in the violation alleged herein and have performed acts and made statements in furtherance thereof.

V

TRADE AND COMMERCE

6. Copper building wire sales are primarily made through one channel of distribution. Manufacturers of copper building wire utilize either independent agents or private company sales networks who distribute the products to electrical wholesalers who in turn supply electrical contractors. In addition, a small portion of copper building wire is sold by manufacturers to "super distributors" who in turn sell to electrical wholesalers, and small amounts are sold by manufacturers to retail outlets for sale directly to the consumer.

7. Each of the defendant corporations sells copper building wire in one or more of the above channels of distribution.

8. The defendant corporations manufacture and sell a full range of copper building wire and distribute it on a national

1 basis. They are known in the trade as "full-line" manufacturers.
2 Full-line manufacturers are generally distinguished in the trade
3 from "short-line" manufacturers who primarily operate only in limited
4 geographic areas and manufacture only limited types of copper
5 building wire.

6 9. Copper building wire is manufactured from a raw material
7 base consisting primarily of copper and insulating materials. Copper
8 building wire is manufactured in standardized classifications,
9 sizes, and designs, and conforms to standards promulgated by
10 Underwriters' Laboratory. Most of the copper building wire manu-
11 factured and sold by each of the defendant corporations is
12 substantially identical with equivalent copper building wire sold
13 by other defendant corporations.

14 10. During the period of time covered by this complaint, the
15 defendant corporations had total sales of copper building wire
16 in excess of \$150 million.

17 11. Within the period of time covered by this complaint,
18 the defendant corporations have sold and shipped in interstate
19 commerce substantial quantities of copper building wire to
20 customers in states other than the state in which their plants
21 are located and have obtained in interstate commerce substantial
22 quantities of raw materials used in the manufacture of copper
23 building wire from states other than those where their plants
24 are located. The sale and shipment of copper building wire to
25 customers in interstate commerce and the purchase and shipment
26 in interstate commerce of materials used in the manufacture of
27 copper building wire were substantially affected by the combination
28 and conspiracy alleged in this complaint.

VI

VIOLATION ALLEGED

1
2
3 12. Beginning in approximately October 1974, the exact date
4 being unknown to the United States, and continuing thereafter up
5 to and including the date of the filing of this complaint, the
6 defendants and co-conspirators have engaged in a combination and
7 conspiracy in unreasonable restraint of the aforesaid interstate
8 trade and commerce in violation of Section 1 of the Sherman Act
9 (15 U.S.C. § 1). Said violation may continue or recur unless the
10 relief hereinafter prayed for is granted.

11 13. The aforesaid combination and conspiracy has consisted of
12 a continuing agreement, understanding, and concert of action among
13 the defendants and co-conspirators, the substantial terms of which
14 were to exchange among themselves information concerning their
15 business activities, including prices, discounts, and other terms
16 and conditions of sale, with the purpose and effect of restraining
17 competition among them.

18 14. In formulating and effectuating the aforesaid combination
19 and conspiracy, the defendants and co-conspirators did those things
20 which they combined and conspired to do, including, among other
21 things, the following:

- 22 (a) disclosed to other members of the conspiracy: (1)
23 prices charged or quoted; (2) discounts offered;
24 (3) prices to be charged or quoted; and (4) dis-
25 counts to be offered to purchasers of copper
26 building wire, as well as other information
27 relevant to the pricing of copper building wire;
28 and

1 (b) received from other members of the conspiracy:
2 (1) prices charged or quoted; (2) discounts
3 offered; (3) prices to be charged or quoted; and
4 (4) discounts to be offered to customers for
5 copper building wire, as well as other information
6 relevant to the pricing of copper building wire.

7 VII

8 EFFECTS

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

- 11 (a) competition in prices, discounts and other terms
12 and conditions of the sale of copper building wire
13 throughout the United States has been restrained;
14 and
15 (b) purchasers of copper building wire have been
16 deprived of the benefit of free and open competition
17 in the sale thereof.

18 VIII

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 trade and
24 commerce in the sale of copper building wire in violation of
25 Section 1 of the Sherman Act.

26 2. That each of the defendants, its successors, assignees,
27 subsidiaries and transferees, and the respective officers, directors,
28 agents and employees, and all other persons acting or claiming to

1 act on their behalf, be perpetually enjoined and restrained from,
2 in any manner, directly or indirectly, continuing, maintaining,
3 or renewing the aforesaid combination and conspiracy, and from
4 engaging in any other combination, conspiracy, agreement, under-
5 standing, or concert of action having a similar purpose or effect,
6 and from adopting or following any practice, plan, program, or
7 design having a similar purpose or effect.

8 3. That plaintiff have such other, further, and different
9 relief as this Court may deem just and proper.

10 4. That plaintiff recover the costs of this suit.

11 DATED:

12 
13 _____
14 JOHN H. SHENEFIELD
15 Assistant Attorney General

16 _____
17 LEON W. WEIDMAN

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19 _____
20 WILLIAM E. SWOPE

21 _____
22 BRIAN Q. ROBBINS

23 _____
24 BARBARA A. REEVES

25 _____
26 MARTIN J. KAPLAN

27 Attorneys,
28 Department of Justice

29 _____
30 ANDREA SHERIDAN ORDIN
31 United States Attorney