

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, :

Plaintiff, :

Civil Action

v. :

No. 70 CIV 5536

DARLING-DELAWARE, INC.; :

HERMAN ISACS, INC.; :

LINCOLN FARM PRODUCTS CORP.; : Filed: December 17, 1970

THE NEW JERSEY SOAP COMPANY, INC.; :

PINKAS-FISCHER & CO., INC.; :

QUAKER SOAP COMPANY, INC.; :

RENCOA, INC.; :

I. SCHONWALTER & CO., INC.; :

THE STANDARD TALLOW COMPANY; :

SWIFT & COMPANY; :

THE THEOBALD INDUSTRIES; and :

WILSON PHARMACEUTICAL & :

CHEMICAL CORPORATION, :

Defendants. :

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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 against the defendants named herein, and complains and alleges as follows:

I

JURISDICTION AND VENUE

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

2. Each of the defendants named herein transacts business within the Southern District of New York.

II

THE DEFENDANTS

3. Each of the corporations named below is hereby made a defendant herein. Each of said defendants is incorporated in the state indicated below and is engaged in the rendering business in the New York Metropolitan Area. Each of said defendants maintains its principal place of business in the locality indicated below:

<u>Name of Corporation</u>	<u>State of Incorporation</u>	<u>Principal Place of Business</u>
Herman Isacs, Inc.	Connecticut	Bridgeport, Conn.
Lincoln Farm Products Corp.	New Jersey	Newark, New Jersey
The New Jersey Soap Company, Inc.	New Jersey	Union City, New Jersey
Pinkas-Fischer & Co., Inc.	New York	Brooklyn, New York
Rencoa, Inc.	New York	Brooklyn, New York
I. Schonwalter & Co., Inc.	New Jersey	Elizabeth, New Jersey
The Theobald Industries	New Jersey	Kearny, New Jersey

4. Darling-Delaware, Inc. is hereby made a defendant herein. Said defendant is incorporated in the State of Delaware and is engaged in the rendering business in the New York Metropolitan Area through Van Iderstine Company, an unincorporated division with its principal place of business in Long Island City, New York.

5. Quaker Soap Company, Inc. is hereby made a defendant herein. Said defendant is incorporated in the State of New Jersey and is a wholly owned subsidiary

of Darling-Delaware, Inc. Quaker Soap Company, Inc. is engaged in the rendering business in the New York Metropolitan Area with its principal place of business in Secaucus, New Jersey.

6. Swift & Company is hereby made a defendant herein. Said defendant is incorporated in the State of Delaware and is engaged in the rendering business in the New York Metropolitan Area through Harrison By-Products Company, an unincorporated division with its principal place of business in Kearny, New Jersey.

7. Wilson Pharmaceutical & Chemical Corporation is hereby made a defendant herein. Said defendant is incorporated in the State of Delaware and is engaged in the rendering business in the New York Metropolitan Area through Mutual Shoemaker Company, an unincorporated division with its principal place of business in Philadelphia, Pennsylvania.

8. The Standard Tallow Company is hereby made a defendant herein. Said defendant is a partnership existing under the laws of the State of New Jersey and is engaged in the rendering business in the New York Metropolitan Area with its principal place of business in Newark, New Jersey.

III

CO-CONSPIRATORS

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

IV

DEFINITIONS

10. As used herein:

- (a) "Renderer" means a person or company that purchases and collects inedible fats, bones, unrefined grease, suet or meat trimmings and then converts such raw materials into tallow, grease, crackling, animal and poultry feed, fertilizer or other products;
- (b) "Account" means a person or company that supplies a renderer with some or all of the raw materials described in subparagraph (a); and
- (c) "New York Metropolitan Area" includes the five boroughs of the City of New York and Nassau, Suffolk, Westchester and Rockland Counties in the State of New York, and Bergen, Passaic, Hudson, Essex, Union, Morris, Middlesex, Burlington and Monmouth Counties in the State of New Jersey.

V

TRADE AND COMMERCE

11. The renderers named as defendants herein purchase and collect inedible fats, bones, unrefined grease, suet or meat trimmings from butcher shops, supermarkets, hotels, restaurants, government agencies and other accounts located in the New York Metropolitan Area and transport such raw materials to their rendering plants located in and around the New York Metropolitan Area. At such plants, the raw materials are converted by processes, usually involving the application of heat

and pressure, into tallow, grease, crackling, animal and poultry feed, fertilizer and other products. Tallow is the primary product produced by the rendering industry and is used in the manufacture of soap, glycerine and fatty acids. A large part of the tallow produced by the defendant renderers in the New York Metropolitan Area is sold to exporters for shipment abroad. Other products produced in the rendering process are sold throughout the United States.

12. The renderers named as defendants herein purchase and receive substantial amounts of raw materials from accounts located in states other than the states in which said defendants convert and process such raw materials into tallow and other products. Said defendants sell and deliver substantial amounts of tallow and other products produced by the rendering process in states other than the states in which such products are produced.

13. In 1969, the dollar volume of raw materials purchased by the defendant renderers in the New York Metropolitan Area was approximately \$20 million. Such purchases accounted for about 85 percent of the total purchases made in 1969 by all renderers in the New York Metropolitan Area. During the same year, the defendant renderers had total sales in excess of \$42 million.

VI

OFFENSE ALLEGED

14. Beginning at least as early as 1931, and continuing thereafter up to and including the date of the filing of this complaint, certain of the defendants and co-conspirators have engaged in a combination and

conspiracy in unreasonable restraint of the aforesaid trade and commerce in rendering, in violation of Section 1 of the Act of Congress of July 2, 1890, as amended (15 U.S.C. § 1), commonly known as the Sherman Act. The other defendants and co-conspirators joined in the aforesaid combination and conspiracy subsequent to 1931 and have thereafter continued such participation up to and including the date of the filing of this complaint.

15. The aforesaid combination and conspiracy has consisted of a continuing agreement, understanding and concert of action among the defendants and co-conspirators, the substantial terms of which have been and are to:

- (a) allocate accounts among the defendant and co-conspirator renderers; and
- (b) refrain from competing for the accounts so allocated.

16. For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants and co-conspirators did those things which they combined and conspired to do, including, among others:

- (a) refrained from soliciting or accepting business from accounts of other defendant and co-conspirator renderers;
- (b) submitted collusive and rigged bids to certain accounts;
- (c) resolved allocation disputes where an account changed from one defendant or co-conspirator renderer to another, by requiring the latter renderer to return the account or by allowing the account's

- retention but requiring that an account of approximately equal tonnage be exchanged for the account lost; and
- (d) urged other renderers to participate in the combination and conspiracy.

VII

EFFECTS

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

- (a) competition between and among the defendant and co-conspirator renderers has been suppressed and eliminated;
- (b) the freedom of accounts to do business with renderers of their own choice has been curtailed; and
- (c) the prices paid to accounts of the defendant and co-conspirator renderers for raw materials have been reduced and stabilized.

PRAYER

WHEREFORE, the plaintiff prays:

1. That the Court adjudge and decree that each of the defendants has engaged in a combination and conspiracy, as alleged herein, in unreasonable restraint of the aforesaid interstate trade and commerce, in violation of Section 1 of the Sherman Act.

2. That each of the defendants named in this complaint, its successors, assignees and transferees, and the officers, directors, agents and employees thereof, and all other 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, and from adopting or following any practice, plan, program or device having a similar purpose or effect.

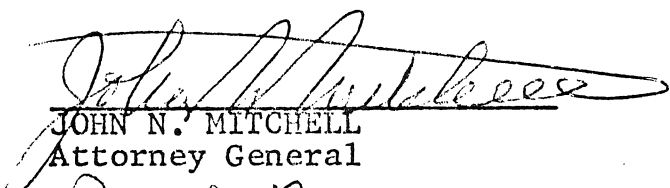
3. That each of the defendants named in this complaint, its successors, assignees and transferees, and the officers, directors, agents and employees thereof, and all other persons acting or claiming to act on behalf thereof, be perpetually enjoined and restrained from directly or indirectly entering into any agreement, arrangement or understanding with any other person or corporation with the purpose or having the effect of fixing, maintaining or establishing the prices, terms or conditions for the sale of raw materials to renderers; refraining from soliciting one another's accounts; submitting collusive and non-competitive bids for rendering raw materials; or allocating accounts or shares of the rendering raw materials market.

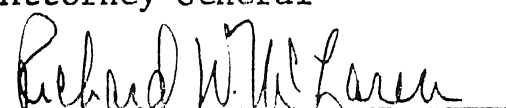
4. That each of the defendants named in this complaint, its successors, assignees and transferees, and the officers, directors, agents and employees thereof, and all other persons acting or claiming to act on behalf thereof, be perpetually enjoined and restrained from directly or indirectly communicating to any other renderer or any employee or representative thereof, any information concerning any present, past or future bids, prices, price differentials or pricing practices relating to the sale of rendering raw materials.

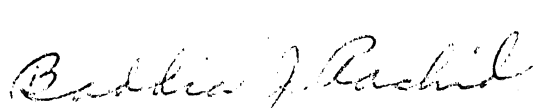
5. That the plaintiff have such other, further and different relief as the Court may deem just and proper.


6. That the plaintiff recover the costs of this action.

Dated:


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