

**U. S. v. FOSTER & KLEISER COMPANY, ET AL.**

IN THE DISTRICT COURT OF THE UNITED STATES IN AND  
FOR THE SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION.

In Equity No. R-31-M.

UNITED STATES OF AMERICA, PETITIONER

VS.

FOSTER & KLEISER COMPANY, GEORGE W. KLEISER, Walter  
F. Foster, August F. Lausen, Jr., and Restop Realty  
Company, DEFENDANTS,

**FINAL DECREE**

The United States of America filed its petition herein on April 22, 1930, and each of the defendants having duly appeared by their respective counsel, the United States of America, by its counsel moved the Court for an injunction as prayed in the petition and each of the defendants consented to the entry of this decree without contest and before any testimony had been taken.

Wherefore it is ordered, adjudged and decreed as follows:

1. That the Court has jurisdiction of the subject matter hereof and of all persons and parties hereto and that the petition states a cause of action against the defendants

under the Act of Congress of July 2, 1890, commonly known as the Sherman Antitrust Act.

2. That the monopoly of and the attempt to monopolize interstate trade and commerce in outdoor advertising in the manner and by the means described in the petition herein is hereby declared illegal and in violation of the said Act of Congress of July 2, 1890, commonly known as the Sherman Antitrust Act.

3. That the defendants, and each of them, and each and all of the respective officers and directors of the corporate defendants, and each and all of the respective agents, servants, employees, and all persons acting, or claiming to act, on behalf of the defendants or any of them, be and they hereby are, perpetually enjoined and restrained from continuing to carry out, directly or indirectly, expressly or impliedly, the said attempt to monopolize and the said monopoly of the interstate trade and commerce in outdoor advertising as described in the petition herein and from entering into, or carrying out, directly or indirectly, expressly or impliedly, any similar monopoly or attempt to monopolize of like character or effect.

4. That within thirty days after the entry of this decree the defendant, Foster & Kleiser Company, be required to offer for sale at all times within the two years next ensuing all of its right, title and interest in and to such of the assets, affairs and business of the La Fon System, Inc., of Los Angeles, California, as have been heretofore acquired by said defendant, in their entirety, as the same may from time to time exist at the following prices and times, to wit: at an initial price of One Hundred Fifty Two Thousand Nine Hundred Fifteen and 88/100 (\$152,915.88) Dollars, up to and including August 31, 1931; at a price of One Hundred Thirty Eight Thousand Three Hundred Twenty Eight and 16/100 (\$138,328.16) Dollars from September 1, 1931, up to and including the last day of February, 1932; at a price of One Hundred Twenty Six Thousand Nine Hundred Seventy and 08/100 (\$126,970.08) Dollars from March 1, 1932, up to and including August 31, 1932; at a price of One Hundred

Sixteen Thousand Six Hundred Ninety Five and 86/100 (\$116,695.86) Dollars from September 1, 1932 up to and including the last day of February 1933; and thereafter up to and including the date of expiration of the said two year period at a price of One Hundred Seven Thousand Three Hundred Fifty Nine and 40/100 (\$107,359.40) Dollars; each of which prices the defendants, Foster & Kleiser Company, George W. Kleiser, and August F. Lausen, Jr., and each of them, expressly represents and warrants as constituting a fair and equitable valuation of the said assets, affairs and business as the same exist or may exist on the aforementioned date; and to publish notice of said offer of sale at least once every six months during the said two year period in at least two newspapers having a general circulation in the City of Los Angeles, California; and to file with the Clerk of this Court, affidavits of each such publication within five days after each such publication has been made; and if, as and when the said offer is accepted by any responsible individual, partnership, corporation or other party at the price then applicable as aforesaid to transfer all of said assets, affairs and business of the said La Fon System Inc., to such individual, partnership, corporation or other party upon the payment of said purchase price and the assumption of leasehold and advertising contract liabilities attaching to said assets, affairs and business.

The defendants will maintain at all times during the said two year period for inspection by prospective purchasers a complete inventory of the said assets, affairs and business of the LaFon System, Inc., and will report to this Court each and every offer or acceptance made by any prospective purchaser within five days after any such offer or acceptance has been made.

5. That the corporate defendants, their respective officers, agents, servants and employees when acting directly or indirectly for or on behalf or in the interest of said corporate defendants or either of them and all other persons acting or claiming to act on behalf of such corporate defendants or either of them be perpetually en-

joined from acquiring the assets, affairs or business and from receiving, holding or voting or in any manner acting as the owner of the whole or of any part of the stock or other share capital of any company which competes with the corporate defendants or any of them in the outdoor advertising business described in the petition herein until further order of this Court.

6. That the corporate defendants, their respective officers, agents, servants and employees, and all persons acting or claiming to act on behalf of them or any of them, be enjoined from the following:

(a) Formulating, adopting and practicing the policy, either generally or with respect to particular communities, of interfering with competitors for the purpose of preventing said competitors from carrying on their lawful business and the aforesaid interstate trade and commerce in outdoor advertising in competition with Foster & Kleiser Company by any of the following means, or by any means similar thereto, to wit:

Offering to pay or in fact paying for outdoor advertising sites amounts in excess of their true worth and value; making fictitious offers to purchase or lease outdoor advertising sites at amounts in excess of their true worth and value; attempting to cause the cancellation or in fact causing the cancellation of leases to which competitors are a party by false representations that the said sites are desired for other than advertising purposes; attempting to lease or in fact leasing more outdoor advertising sites than are reasonably required for the proper conduct of the outdoor advertising business for the purpose or with the intent of excluding competitors of the corporate defendants from carrying on their respective businesses in competition with the corporate defendants; leasing or attempting to lease outdoor advertising sites without using the same or intending to use the same for any purpose reasonably necessary or incidental to the proper conduct of the outdoor advertising business for the purpose or with the intent of excluding the competitors of the corporate defendants from carrying on their re-

spective businesses in competition with the corporate defendants; leasing or attempting to lease outdoor advertising sites on the understanding that same will not be used for outdoor advertising purposes with the intent or for the purpose of excluding competitors of corporate defendants from carrying on their respective businesses in competition with the corporate defendants; continuously soliciting, obtaining and reporting detailed information regarding outdoor advertising sites leased by competitors by any illegal or improper means or in any illegal or improper manner and utilizing the said information for the purpose or with the intent of excluding competitors of the corporate defendants from transacting their respective businesses in competition with the corporate defendants; physically obstructing, covering, obliterating, destroying or otherwise impairing the visibility of outdoor advertising structures owned, operated or controlled by competitors; but this shall not prevent the defendant, Foster & Kleiser Company from erecting its advertising structures upon its leased or owned advertising sites in the lawful exercise of its property rights in good faith and not for the purpose or with the intent of excluding competitors of the corporate defendants from carrying on their respective businesses in competition with the corporate defendants; employing agents for the purpose of obtaining information and cooperation from city and county officials regarding outdoor advertising sites owned or leased or intended to be owned or leased by competitors and utilizing the said information or cooperation for the purpose or with the intent of excluding competitors of the corporate defendants from transacting their respective businesses in competition with the corporate defendants.

(b) Formulating, adopting and practicing the policy, either generally or with respect to particular communities, of contracting with advertisers for the display of outdoor advertising matter at unfair or discriminatory prices and under unfair or discriminatory terms and conditions; that is to say, charging different prices for

the same product to advertisers occupying substantially the same positions in the trade for the purpose and with the intent of excluding competitors of Foster & Kleiser Company from carrying on the outdoor advertising business and the aforesaid interstate trade and commerce in competition with Foster & Kleiser Company.

(c) Knowingly inducing or attempting to induce customers of competitors to breach their contracts with such competitors by changing and reducing bids for the display of advertising matter below the prices originally offered by defendant Foster & Kleiser Company and below the prices originally offered by competitors of Foster & Kleiser Company.

(d) Knowingly making false and unfair statements regarding the business, business standing, credit and integrity of competitors of defendant, Foster & Kleiser Company, and regarding the quality, durability and workmanship of outdoor advertising material furnished by said competitors and regarding the value and desirability of outdoor advertising sites owned or leased by said competitors for the purpose of inducing or attempting to induce customers of competitors to breach their contracts with such competitors or of preventing or attempting to prevent the display of outdoor advertising matter by competitors of Foster & Kleiser Company.

(e) Granting preferences, priorities, rebates and discriminations relative to prices and terms of contracts for the display of outdoor advertising matter in favor of certain selected advertisers for the purpose of preventing competitors of Foster & Kleiser Company from carrying on their lawful business and the said interstate trade and commerce in outdoor advertising.

(f) Giving free display of outdoor advertising matter to certain advertisers for the purpose of preventing competitors of defendant Foster & Kleiser Company from transacting the outdoor advertising business and the said interstate trade and commerce in competition with defendant Foster & Kleiser Company.

(g) Compelling or attempting to compel owners of outdoor advertising structures to sell their said structures to Foster & Kleiser Company on such terms as may be determined and dictated by Foster & Kleiser Company by threatening that unless such sales are made Foster & Kleiser Company will construct and operate outdoor advertising structures in competition with the said owners.

(h) Paying to any soliciting agency whether individuals, partnerships, associations or corporations any higher rate of commissions on contracts for outdoor advertising awarded or caused to be awarded to Foster & Kleiser Company than it pays to other soliciting agencies occupying relatively the same position in the trade for the purpose of inducing such soliciting agency to award all such advertising contracts to the Foster & Kleiser Company to the exclusion of its competitors. Provided that nothing contained in the foregoing subdivisions b, e and f of paragraph 6 hereof shall prevent discrimination in price between purchasers of outdoor advertising on account of difference in grade, quality or quantity of such outdoor advertising or that makes only due allowance for difference in the cost of sale or transportation or discrimination in price in the same or different communities made in good faith to meet competition and providing further that nothing in the said subdivisions shall prevent the defendants from selecting their own customers in bona fide transactions and not in restraint of trade.

7. That the terms of this decree shall be binding upon and shall extend to each and every one of the successors in interest of any and all of the corporate defendants herein and to any and all corporations, co-partnerships and individuals who may acquire the ownership and control, directly or indirectly of the property, business and assets of the corporate defendants whether by merger, consolidation, reorganization or otherwise.

8. That jurisdiction of this cause be and it hereby is retained for the purpose of enforcing this decree or modifying this decree.

9. That the Petitioner have and recover from the defendants the costs expended in this cause, taxed at \$35.80.  
Dated: Los Angeles, California: March 13, 1931.

Entry consented to.

WM. P. JAMES,  
*United States District Judge.*