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10 IN THE UNITED STATES DISTRICT COURT
11 FOR THE EASTERN DISTRICT OF WASHINGTON

12 UNITED STATES OF AMERICA,)	Civil No. C-84-505-JLQ
)	
13 Plaintiff,)	COMPLAINT
)	
14 v.)	15 U.S.C. § 1 (Antitrust
)	Violation Alleged)
15 JOHN BARTH, INC.;)	
16 JOHN I. HAAS, INC.;)	15 U.S.C. § 4 (Equitable
17 LUPOFRESH, INC.;)	Relief Sought)
18 S. S. STEINER, INC.; and)	
19 VON HORST COMPANY - YAKIMA,)	Filed: July 23, 1984
)	
20 Defendants.)	

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

26 I

27 JURISDICTION AND VENUE

28 1. This complaint is filed under Section 4 of the Sherman
Act, as amended (15 U.S.C. § 4), in order to prevent and restrain
the continuing violation by the defendants, as hereinafter

1 alleged, of Section 1 of said Act (15 U.S.C. § 1).

2 2. Each of the defendants transacts business and is found
3 within the Eastern District of Washington.

4 II

5 DEFENDANTS

6 3. John Barth, Inc. is a corporation organized and existing
7 under the laws of the State of New Jersey, with its principal
8 place of business located in New York, New York. During the time
9 period covered by this Complaint, John Barth, Inc. has engaged in
10 the purchase and sale of hops, hop products, and hop services
11 within the Eastern District of Washington and throughout the
12 United States.

13 4. John I. Haas, Inc. is a corporation organized and
14 existing under the laws of the State of Delaware, with its
15 principal place of business located in Washington, D.C. During
16 the time period covered by this Complaint, John I. Haas, Inc. has
17 engaged in the purchase and sale of hops, hop products, and hop
18 services within the Eastern District of Washington and throughout
19 the United States.

20 5. Lupofresh, Inc. is a corporation organized and existing
21 under the laws of the State of New York, with its principal place
22 of business located in New York, New York. During the time period
23 covered by this Complaint, Lupofresh, Inc. has engaged in the
24 purchase and sale of hops, hop products, and hop services within
25 the Eastern District of Washington and throughout the United
26 States.

27 6. S. S. Steiner, Inc. is a corporation organized and
28 existing under the laws of the State of New York, with its

1 principal place of business located in New York, New York. During
2 the time period covered by this Complaint, S. S. Steiner, Inc. has
3 engaged in the purchase and sale of hops, hop products, and hop
4 services within the Eastern District of Washington and throughout
5 the United States.

6 7. Von Horst Company - Yakima is a limited partnership
7 organized and existing under the laws of the State of Washington,
8 with its principal place of business located in Yakima,
9 Washington. The general partner of Von Horst Company - Yakima,
10 prior to November 10, 1983, was Von Horst Company, Inc., a
11 corporation organized and existing under the laws of the State of
12 Washington. On November 10, 1983, following a change of
13 ownership, Von Horst Company, Inc. filed Articles of Amendment
14 with the Washington Secretary of State changing its name to
15 Western Hop Company, Inc. During the time period covered by this
16 Complaint, Von Horst Company - Yakima has engaged in the purchase
17 and sale of hops, hop products, and hop services within the
18 Eastern District of Washington and throughout the United States.

19 III

20 CO-CONSPIRATORS

21 8. Various other persons not made defendants herein have
22 participated as co-conspirators with the defendants in the
23 violation hereinafter alleged, and have performed acts and have
24 made statements in furtherance thereof.

25 IV

26 TRADE AND COMMERCE

27 9. Hops are agricultural products used almost exclusively
28 to impart a flavor and aroma to beer, ale and similar beverages.

1 In the United States, hops are grown commercially principally in
2 the Yakima Valley region of the State of Washington and to a
3 lesser extent in other parts of the Pacific Northwest and Northern
4 California. After being picked, hops are kiln-dried, compressed
5 into bales, and delivered to hop dealers. Hops are also grown in
6 Europe.

7 10. Hop products are hops that have been converted into
8 pellets or extract, which are concentrated forms of hops used for
9 the same purposes as hops. Hop services include the pelletization
10 and extraction of hops and the storage of hops and hop products.

11 11. Hop dealers, including defendants, contract to purchase
12 hops from hop growers for the current crop year and, in some
13 cases, several years in the future. Hop dealers also contract to
14 sell hops, hop products, and hop services to United States and
15 foreign brewers for the current year and, in some cases, for
16 future years. Annual gross revenues of the hop dealers who
17 participated in the violation hereinafter alleged increased from
18 approximately \$76 million in 1978 to approximately \$200 million in
19 1981.

20 12. During the time period covered by this Complaint,
21 substantial quantities of hops and hop products were grown in,
22 stored in, processed in, and sold and shipped from the Eastern
23 District of Washington to brewers located throughout the United
24 States and outside the United States. These brewers utilized the
25 hops and hop products to produce beer which was then sold in
26 interstate commerce throughout the United States and in foreign
27 commerce.

28 13. During the time period covered by this Complaint,

1 substantial quantities of hops were purchased by defendants from
2 growers in Oregon, California, Idaho, and the Eastern District of
3 Washington and then sold and shipped by defendants, sometimes
4 after processing in the Eastern District of Washington, to brewers
5 in other states. Also during the time period covered by this
6 Complaint, the defendants participated in the sale and shipment of
7 substantial quantities of German hops and hop products to brewers
8 located in the United States.

9 14. The hops and hop products that were purchased and sold
10 by defendants flowed in a continuous and uninterrupted stream in
11 interstate and foreign commerce.

12 15. The activities of the defendants and co-conspirators,
13 which are the subject of this Complaint, were within the flow of,
14 and substantially affected, interstate and foreign commerce.

15
16 V

17 VIOLATION ALLEGED

18 16. Beginning in 1976 or earlier, and continuing up to and
19 including the date of the filing of this Complaint, the defendants
20 and co-conspirators have been engaged in a combination and
21 conspiracy in unreasonable restraint of the aforesaid interstate
22 and foreign trade and commerce in violation of Section 1 of the
23 Sherman Act. Said violation is continuing and will continue
24 unless the relief hereinafter prayed for is granted.

25 17. The aforesaid combination and conspiracy has consisted
26 of a continuing agreement, understanding, and concert of action
27 among the defendants and co-conspirators, the substantial terms of
28 which were to fix prices and price ranges at which hops, hop

1 products, and hop services were quoted and sold to United States
2 brewers.

3 18. For the purpose of forming and effectuating the
4 aforesaid combination and conspiracy, the defendants and
5 co-conspirators have done those things which, as hereinbefore
6 alleged, they have combined and conspired to do, including:

7 (a) agreeing among themselves upon prices or price
8 ranges to be utilized in their quotations;

9 (b) proposing and submitting bids at prices or within
10 price ranges agreed upon among themselves;

11 (c) agreeing among themselves upon the terms and
12 conditions of sales to brewers; and

13 (d) selling brewers hops, hop products, and hop
14 services at prices or within price ranges agreed upon among
15 themselves.

16 VI

17 EFFECTS

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

20 (a) competition in the sale of domestically and foreign
21 grown hops to United States brewers has been restrained and
22 eliminated;

23 (b) competition in the sale of hop products produced
24 from domestically and foreign grown hops to United States
25 brewers has been restrained and eliminated;

26 (c) competition in the sale of hop services to United
27 States brewers has been restrained and eliminated;

28 (d) competitive bidding for the sale of hops, hop

1 products, and hop services to United States brewers has been
2 restrained and eliminated;

3 (e) prices paid by United States brewers for hops, hop
4 products, and hop services have been fixed, raised and
5 stabilized; and

6 (f) United States brewers and others have been denied
7 the rights and benefits of free and open competition in the
8 purchase of hops, hop products, and hop services.

9 PRAYER

10 WHEREFORE, plaintiff prays:

11 1. That the Court adjudge and decree that the defendants
12 and co-conspirators have engaged in an unlawful combination and
13 conspiracy in restraint of trade in violation of Section 1 of the
14 Sherman Act by the fixing of prices or price ranges at which hops,
15 hop products, and hop services were quoted and sold to United
16 States brewers.

17 2. That the defendants and all other persons acting or
18 claiming to act on their behalf be enjoined and restrained from
19 directly or indirectly continuing, maintaining, or renewing the
20 aforesaid combination and conspiracy; from engaging in any other
21 combination, conspiracy, agreement, understanding, or concert of
22 action having similar purposes or effects; and from following any
23 practice, plan, or program having similar purposes or effects.

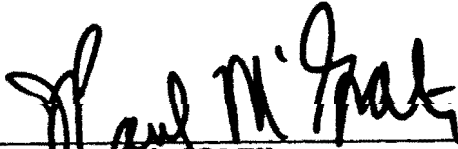
24 3. That the Court impose such additional restrictions on
25 the defendants as are necessary to insure that the defendants do
26 not engage in any practice, plan, or program which has the purpose
27 or effect of fixing prices or price ranges at which hops, hop
28 products, or hop services are quoted or sold to United States

1 brewers.

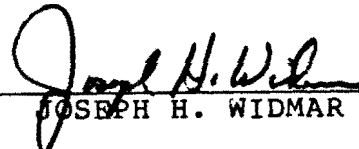
2 4. That the plaintiff have such other and further relief as
3 the Court may deem just and proper.

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

5 DATED:

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Assistant Attorney General


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