

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA)	Civil No. 90-1567
)	
Plaintiff,)	Filed: July 5, 1990
)	
v.)	15 U.S.C. § 1 (Antitrust
)	Violation
THE AMERICAN INSTITUTE OF)	Alleged)
ARCHITECTS,)	
)	15 U.S.C. § 4 (Equitable
Defendant.)	Relief Sought)

COMPLAINT

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 to obtain equitable relief against the above-named defendant and complains and alleges as follows:

I.

JURISDICTION AND VENUE

1. This complaint is filed under Section 4 of the Sherman Act (15 U.S.C. § 4) in order to prevent and restrain the recurrence of a violation by the defendant, as hereinafter alleged, of Section 1 of said Act (15 U.S.C. § 1).

2. The defendant, The American Institute of Architects ("AIA"), transacts business and is found within the District of Columbia.

II.

DEFENDANT

3. The AIA is made the defendant herein. The AIA is a non-profit membership corporation organized and existing under the laws of the State of New York with its principal place of business located in Washington, D.C. The AIA has chartered approximately 280 local chapters and state organizations to represent the AIA throughout the United States. The AIA's membership consists of about 54,000 licensed architects. The AIA is generally recognized as the national professional association of architects.

III.

CO-CONSPIRATORS

4. Various individuals, firms, organizations, and corporations, not made defendants herein, have participated as co-conspirators with the defendant in the violation alleged in this complaint, and have performed acts and made statements in furtherance thereof.

IV.

TRADE AND COMMERCE

5. Architects plan, design and frequently supervise the construction of buildings and other structures, including churches, hospitals, monuments, airports, industrial parks, and urban renewal projects. For any given project, an architect often will specify the design requirements, prepare scaled

drawings and develop final construction documents. After all the drawings are completed, the architect normally assists the client in selecting a contractor and negotiating the construction contract and monitors the construction to ensure that the design plans and specifications are followed.

6. In selecting an architect, clients may consider such factors as price, reputation and experience. In some instances, a client may consider the price quotation of more than one architect and select the architect to perform services based solely, or primarily, upon the price quotations submitted. On other occasions, a client may also ask the architects to submit preliminary designs or do other preliminary work without assurance that they will be fully or partially compensated for their effort if they are not ultimately awarded the project.

7. In September 1984, the Chicago Chapter of the AIA ("Chicago Chapter") adopted a Compensation and Fee Policy Statement which prohibited AIA members from engaging in competitive bidding, discounting fees or providing free services. The Compensation and Fee Policy Statement set forth the following principles, among others:

An architect shall not participate in any client request for a proposal where fee is the sole basis for selection.

Competition among architects which is based on the quality, nature, and type of services rendered is indicative of professional conduct and shall be

encouraged. Pursuit of a commission shall be limited to the fair representation of the architect's professional experience, services, and capabilities. Architects shall not lead clients to believe that price is the dominant factor in the architectural selection process.

The fees charged by architects for professional services shall be based on the costs incurred to provide those services. Architects shall not reduce fees without appropriate reduction of services.

Architects shall not provide professional services without compensation.

8. The President of the Chicago Chapter at the time was principally responsible for the initiation, promotion and adoption of the Compensation and Fee Policy Statement and for the subsequent dissemination of the Statement to AIA members and to purchasers of architectural services in at least seven states. Various national officers and employees of AIA also endorsed and assisted in promoting and disseminating the Compensation and Fee Policy Statement.

9. AIA and Chicago Chapter members provide architectural services for clients located throughout the United States. Many AIA and Chicago Chapter members are licensed to perform architectural services in several states, and they regularly perform services in states other than the state in which they maintain their principal place of business.

10. There is a regular, continuous and substantial flow in interstate commerce of the services of AIA and Chicago Chapter members, and of the materials used in the construction of projects designed by them. The activities of the AIA, the

Chicago Chapter and their members, as described herein, are within the flow of interstate commerce and have an effect upon that commerce.

V.

OFFENSE ALLEGED

11. Beginning at least as early as August 1984 and continuing at least until February 1985, the defendant and co-conspirators were engaged in a combination and conspiracy in unreasonable restraint of the aforesaid interstate trade and commerce in violation of Section 1 of the Sherman Act. This offense is likely to recur unless the relief prayed for is granted.

12. The combination and conspiracy consisted of a continuing agreement, understanding and concert of action among the defendant and co-conspirators unreasonably to restrain price competition among AIA members.

13. In formulating and effectuating the combination and conspiracy, the defendant and co-conspirators did those things which they combined and conspired to do, including, among other things:

- (a) Prohibiting AIA members from submitting price quotations where price is the sole or dominant consideration in the selection of an architect;
- (b) Prohibiting AIA members from providing discounts for architectural services; and

- (c) Prohibiting AIA members from providing architectural services without compensation. -

VI.

EFFECTS

14. The combination and conspiracy had the following effects, among others:

- (a) Price competition among AIA members in the sale of their services has been unreasonably restrained; and
- (b) Customers seeking the services offered by AIA members have been deprived of the benefits of free and open competition in the sale of such services.

VII.

PRAYER

WHEREFORE, the plaintiff prays:

1. That the alleged combination and conspiracy in unreasonable restraint of interstate trade and commerce be adjudged and decreed to be in violation of Section 1 of the Sherman Act.

2. That the defendant and each of its respective officers, directors, agents, employees, successors, and assigns, and all persons acting under, through or for the defendant, be enjoined for a period of 10 years from renewing the alleged combination and conspiracy, and from entering

into, maintaining or participating in any contract, agreement, understanding, plan, program, or other arrangement having the purpose or effect of continuing or renewing such combination and conspiracy.

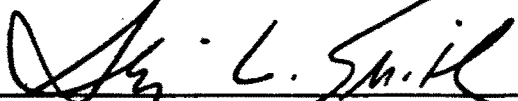
3. That the defendant and each of its present and future state and local organizations and chapters be required to withdraw and rescind any provisions in their codes of ethics and any other rule, bylaw, resolution, guideline, or statement which has as its purpose or effect the suppression or elimination of price competition among AIA members.

4. That the defendant be required to institute a compliance program to ensure that the AIA and its state and local organizations and chapters do not enter into, maintain or participate in any contract, agreement, understanding, plan, program, or other arrangement having the purpose or effect of continuing or renewing such combination and conspiracy.

5. That the plaintiff have such other and further relief as the nature of the case may require and the Court may deem just and proper.

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

FOR PLAINTIFF UNITED STATES
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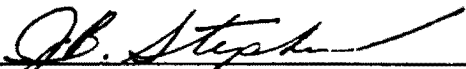

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