

1 ANTHONY E. DESMOND
2 GARY R. SPRATLING
3 IRENE S. HOLMES
4 C. ROBERT DISHAROON
5 Antitrust Division
6 Department of Justice
7 450 Golden Gate Avenue - Room 16432
8 Box 36046
9 San Francisco, California 94102
10 Telephone: 415-556-6300
11

12 UNITED STATES DISTRICT COURT

13 DISTRICT OF UTAH

14 CENTRAL DIVISION

15 UNITED STATES OF AMERICA,)	
)	Civil No. C-75-301
16 Plaintiff,)	
)	COMPLAINT FOR INJUNCTIVE
17 v.)	RELIEF FOR VIOLATION OF
)	TITLE 15 U.S.C. SECTION 1,
18 COUNTRYSIDE FARMS, INC.;)	<u>SHERMAN ANTITRUST ACT</u>
19 EGG PRODUCTS COMPANY;)	
20 OLSON FARMS, INC.; and)	
21 SNOW WHITE EGG COMPANY,)	Filed: July 28, 1975
)	
22 Defendants.)	

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

27 I

28 JURISDICTION AND VENUE

29 1. This complaint is filed and proceedings are instituted
30 under Section 4 of the Act of Congress of July 2, 1890, as amended
31 (15 U.S.C. § 4), commonly known as the Sherman Act, in order to
32 prevent and restrain the violation by the defendants, as herein-
after alleged, of Section 1 of said Act (15 U.S.C. § 1).

2. Each of the defendants maintains an office, transacts
business and is found within the District of Utah, Central Division.

II

DEFENDANTS

3. The corporations named below are made defendants herein. Each of said corporations is organized and exists under the laws of the state and has its principal place of business in the city indicated below. Within the period of time covered by this complaint, each of these defendants engaged in the business of buying and selling eggs in Utah:

<u>Name of Corporation</u>	<u>State of Incorporation</u>	<u>Principal Place of Business</u>
Countryside Farms, Inc.	Utah	Salt Lake City, Utah
Egg Products Company	Utah	Salt Lake City, Utah
Olson Farms, Inc.	Delaware	North Hollywood, California
Snow White Egg Company	Utah	Salt Lake City, Utah

4. Countryside Farms, Inc. was known as Countryside Egg Farms prior to April 30, 1974. Countryside Farms, Inc. is a wholly-owned subsidiary of Countryside Management, Inc.

III

CO-CONSPIRATORS

5. Various individuals and companies not named as defendants in this complaint participated as co-conspirators in the violation alleged and performed acts and made statements in furtherance thereof.

IV

DEFINITIONS

6. As used herein "Salt Lake City Market" refers to the state of Utah, eastern Nevada, southeastern Idaho, and southwestern Wyoming.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

V

TRADE AND COMMERCE

7. The defendant corporations are egg dealers operating in the State of Utah and contiguous states. Egg dealers obtain eggs from, among others, egg producers, egg dealers, and the dealers' own egg production units and distribute eggs to, among others, stores, restaurants, and governmental institutions. The defendant corporations' total sales in 1973 exceeded \$12 million and constituted approximately 90 percent of sales by egg dealers in the Salt Lake City Market.

8. During the period of time covered by this complaint, substantial quantities of eggs were obtained or purchased by the defendant corporations from sources located outside the State of Utah and sold to customers and other egg dealers located in the State of Utah. During that period, there was a substantial and continuous flow in interstate commerce of eggs from sources located outside the State of Utah to the defendant corporations in the State of Utah and thence to their customers located in that state.

9. During the period of time covered by this complaint, substantial quantities of eggs were sold by the defendant corporations from sources located in the State of Utah to customers located outside the State of Utah. During that period, there was a substantial and continuous flow in interstate commerce of eggs sold by the defendant corporations from locations in the State of Utah to customers located outside the State of Utah.

VI

VIOLATION ALLEGED

10. Beginning at least as early as 1966, the exact date being unknown to the plaintiff, and continuing until March 1974, the defendants and co-conspirators engaged in a continuing combination and conspiracy in unreasonable restraint of the aforesaid

1 interstate trade and commerce in violation of Section 1 of the
2 Sherman Act, as amended (15 U.S.C. § 1). Said combination and
3 conspiracy may continue or reoccur unless the relief hereinafter
4 prayed for is granted.

5 11. The aforesaid combination and conspiracy consisted of
6 a continuing agreement, understanding, and concert of action
7 among the defendants and co-conspirators to fix, maintain, and
8 stabilize the wholesale market quotations and producer paying
9 price of eggs in the Salt Lake City Market.

10 12. During the period of time covered by this complaint and
11 for the purpose of formulating and effectuating the aforesaid
12 combination and conspiracy, the defendants and co-conspirators
13 did those things which, as hereinbefore alleged, they combined
14 and conspired to do, including, among other things, the following:

- 15 (a) met to discuss wholesale market quotations,
16 producer paying prices, terms of sale and market
17 conditions;
18 (b) engaged in telephone conversations, the subject
19 of which included discussion and exchange of whole-
20 sale market quotations, producer paying prices,
21 terms of sale, and market conditions;
22 (c) quoted agreed-upon wholesale market quotations;
23 (d) paid agreed-upon prices to egg producers;
24 (e) allocated territories for the sale of eggs; and
25 (f) acted to exclude competitors from selling eggs in
26 Salt Lake and Utah Counties, State of Utah.

27 VII

28 EFFECTS

29 13. The aforesaid combination and conspiracy had the following
30 effects, among others:
31
32

- 1 (a) the price of eggs was fixed, maintained and
2 stabilized at artificial and noncompetitive levels;
3 (b) competition in the purchase, distribution, and
4 sale of eggs between and among defendants and
5 co-conspirators was restricted, suppressed, and
6 restrained;
7 (c) producers of eggs were deprived of free and open
8 competition in the purchase of eggs by egg dealers;
9 and
10 (d) purchasers of eggs were deprived of free and open
11 competition in the sale of eggs by egg dealers.

12 PRAYER

13 WHEREFORE, plaintiff prays:

14 1. That the Court adjudge and decree that the defendants
15 and co-conspirators have engaged in an unlawful combination and
16 conspiracy in restraint of the aforesaid trade and commerce in
17 violation of Section 1 of the Sherman Act.

18 2. That the defendants, their officers, directors, agents,
19 employees, and successors and all other persons acting or claiming
20 to act on their behalf be enjoined and restrained from, in any
21 manner, directly or indirectly, continuing, maintaining, or
22 renewing the combination and conspiracy hereinbefore alleged,
23 or from engaging in any other combination, conspiracy, contract,
24 agreement, understanding, or concert of action having a similar
25 purpose or effect, and from adopting or following any practice,
26 plan, program, or device having a similar purpose or effect.

27 3. That plaintiff have such other, further and different
28 relief as the Court may deem just and proper in the premises.
29
30
31
32

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

4. That plaintiff recover the costs of this suit.

Thomas E. Kauper
THOMAS E. KAUPER
Assistant Attorney General

GARY R. SPRATLING

Baddia J. Rashid
BADDIA J. RASHID

IRENE S. HOLMES

ANTHONY E. DESMOND
Attorneys,
Department of Justice

C. ROBERT DISHAROON
Attorneys,
Department of Justice

RAMON N. CHILD
United States Attorney