

STATE OF MAINE  
KENNEBEC, SS.

SUPERIOR COURT  
CIVIL ACTION  
DOCKET NO.

STATE OF MAINE, )  
)  
Plaintiff )  
)  
v. )  
)  
BRADSTREET HOMES, INC., )  
a Maine Corporation with )  
offices in Winslow, )  
Kennebec County, Maine, )  
RICHARD BRADSTREET, an )  
individual residing in )  
Kennebec County, Maine., )  
HAROLD C. RALPH CHEVROLET, )  
INC., a Maine Corporation )  
with offices in Waldoboro, )  
Lincoln County, Maine, and )  
R. STEPHEN RALPH, an individual )  
residing in Lincoln County, )  
Maine. )  
)  
Defendants )  
)

COMPLAINT  
(Request for Permanent  
Injunction and Civil  
Penalties)

### I. INTRODUCTION

1. This is an action to enjoin Defendants from engaging in unreasonable restraints of trade in the retail modular home industry within the State of Maine and to assess civil penalties for such conduct.

### II. JURISDICTION AND PARTIES

2. This Court has jurisdiction over this matter pursuant to 4 M.R.S.A. § 152 (Supp. 1991) and 10 M.R.S.A. § 1104 (Supp. 1991).

3. The State of Maine, by and through its Attorney General, brings this action seeking injunctive relief and civil penalties for anticompetitive conduct of the Defendants in the operation of the retail modular home industry within this State.

4. Bradstreet Homes, Inc. is a Maine corporation with offices in Winslow, Kennebec County, Maine. Defendant Bradstreet Homes, Inc. sells modular and mobile homes from a retail business located in Winslow, Kennebec County, Maine.

5. Richard Bradstreet, an individual residing in Kennebec County, Maine, is the President of Bradstreet Homes, Inc. Defendant Richard Bradstreet has directed and controlled the conduct of Bradstreet Homes, Inc. as set forth in this Complaint.

6. Harold C. Ralph Chevrolet, Inc. is a Maine corporation with offices in Waldoboro, Lincoln County, Maine. Defendant Harold C. Ralph Chevrolet, Inc. sells modular and mobile homes, as well as motor vehicles, from a retail business located in Waldoboro, Lincoln County, Maine.

7. R. Stephen Ralph, an individual residing in Lincoln County, Maine, is the General Manager of Harold C. Ralph Chevrolet, Inc. Defendant R. Stephen Ralph has directed and controlled the conduct of Harold C. Ralph Chevrolet, Inc. as set forth in this Complaint.

### III. NATURE OF TRADE AND COMMERCE

8. Modular homes are constructed by manufacturers and delivered directly to the consumer's home site. Modular homes, unlike mobile homes, can be built to the design specifications of the consumer and, in appearance, can resemble traditional stick built houses.

9. Modular home manufacturers generally sell through two types of dealers. Stocking dealers sell from an established retail location and maintain an inventory (frequently as low as one modular home) of modular homes. A catalog dealer does not maintain an inventory and sells modular homes either from a catalog or from units which have already been sold and placed on consumers' homesites.

IV. FIRST CAUSE OF ACTION: CONCERTED REFUSAL TO DEAL

10. Paragraphs 1 through 9 are incorporated by reference into this First Cause of Action.

11. Oxford Homes, Inc. is a manufacturer of mobile and modular homes located in Oxford County, Maine.

12. Oxford Homes, Inc. sells mobile and modular homes through both stocking and catalog dealers. Bradstreet Homes, Inc. and Harold C. Ralph Chevrolet, Inc. both are Oxford Homes, Inc. dealers for modular and mobile homes and are stocking dealers with respect to both product lines. Oxford Homes, Inc. does not establish sales territories for its dealers.

13. The geographic areas in which Bradstreet Homes, Inc. and Harold C. Ralph Chevrolet, Inc. sell modular homes comprise areas of approximately fifty (50) miles radius from their retail places of business. Harold C. Ralph Chevrolet, Inc. and Bradstreet Homes, Inc. compete with each other for the sale of modular homes in the Augusta, Kennebec County, Maine area as well as other areas.

14. In the spring of 1991, Jose Gonzales, d/b/a Applewood Homes, commenced discussions with Oxford Homes, Inc. over the establishment of Applewood Homes as a catalog dealer for the sale of modular homes in the Augusta area. Oxford Homes, Inc. agreed to manufacture several modular homes for customers of Applewood Homes.

15. At some point later in the spring of 1991, Richard Bradstreet learned that Oxford Homes was building a modular home for a customer of Applewood Homes that formerly had been a customer of Bradstreet Homes, Inc. Richard Bradstreet, upon learning the above fact, called R. Stephen Ralph and informed Ralph that Oxford Homes, Inc. was selling modular homes through Applewood Homes. Bradstreet and Ralph discussed their mutual objection to Oxford Homes, Inc. selling homes to Applewood Homes as a catalog dealer. They both discussed the fact that they would be speaking on the phone with representatives of Oxford Homes, Inc. concerning this situation.

16. Both Richard Bradstreet and R. Stephen Ralph telephoned Oxford Homes, Inc. on the same day to complain about Oxford Homes, Inc.'s relationship with Applewood Homes. In their telephone conversations, both Bradstreet and Ralph threatened to discontinue being a stocking dealer and carrying an inventory of modular homes, becoming instead a catalog dealer, if Oxford Homes, Inc. sold to Applewood Homes as a catalog dealer.

17. Oxford Homes, Inc. subsequently informed Applewood Homes that Oxford Homes, Inc. would not sell to Applewood Homes as a dealer.

18. Defendants' actions have had and continue to have the effect of depriving customers for modular homes in the Augusta, Maine area as well as other areas of the benefits of free and open competition.

19. Defendants' conduct as described in this First Cause of Action constitutes a contract, combination or conspiracy in unreasonable restraint of trade in violation of 10 M.R.S.A. § 1101 (1980).

V. SECOND CAUSE OF ACTION: AGREEMENT TO ALLOCATE SALES

20. Paragraphs 1 through 19 are incorporated by reference into this Second Cause of Action.

21. At some point after the telephone conversations described in paragraph 15 above, Richard Bradstreet and R. Stephen Ralph met at Mr. Bradstreet's office in Winslow to discuss making a joint proposal to Applewood Homes. Specifically, Bradstreet and Ralph discussed making a proposal to Applewood Homes whereby Applewood Homes would be permitted to sell modular homes manufactured by Oxford Homes as a sub-dealer from both Harold C. Ralph Chevrolet, Inc. and Bradstreet Homes, Inc. Under the terms of the proposal agreed to by Bradstreet and Ralph, Applewood Homes would obtain modular homes from Harold C. Ralph Chevrolet, Inc. and

Bradstreet Homes, Inc. and pay a fee of between \$1,500-2,500 to Bradstreet Homes, Inc. and Harold C. Ralph Chevrolet, Inc. upon the sale of each modular home.

22. Subsequent to Bradstreet and Ralph's meeting, described in the preceding paragraph, R. Stephen Ralph met with Jose Gonzales and made a specific proposal on behalf of Harold C. Ralph, Inc. and Bradstreet Homes, Inc. Mr. Gonzales rejected the proposal.

23. Defendants' actions have had and continue to have the effect of depriving Defendants' customers of the benefits of free and open competition.

24. Defendants' conduct as described in this Second Cause of Action constitutes a contract, combination or conspiracy in unreasonable restraint of trade in violation of 10 M.R.S.A. § 1101 (1980).

WHEREFORE, Plaintiff State of Maine respectfully request that this Court:

1. Declare that the conduct of Defendants as set forth in this Complaint constitutes violations of 10 M.R.S.A. § 1101 (1980).

2. Permanently enjoin Defendants, their agents, employees, assigns, or other persons acting for them or under their control, from entering into or continuing in any combination or conspiracy with a competitor to pressure, urge or request a manufacturer not to sell to any other competitor

and to divide or allocate the geographic areas in which any competitor will sell mobile or modular homes.

3. Order each Defendant pursuant to 10 M.R.S.A. § 1104 (1980 & Supp. 1991) to pay a civil penalty for each course of conduct constituting a violation of 10 M.R.S.A. § 1101 (1980).

4. Order the Defendants to pay the Department of the Attorney General for its attorneys fees, court costs and costs of expert witnesses.

5. Grant such other relief as the Court deems just and proper.

Dated:

MICHAEL E. CARPENTER  
Attorney General

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STEPHEN L. WESSLER  
Deputy Attorney General  
Chief, Consumer & Antitrust Division  
State House Station 6  
Augusta, Maine 04333  
(207) 626-8800

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 RICHARD BRADSTREET )  
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 Defendants )  
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CONSENT DECREE

Plaintiff, State of Maine, having filed its Complaint on July 31, 1992 and Plaintiff and Defendants Bradstreet Homes, Inc. and Richard Bradstreet, (hereinafter referred to as Defendants) having consented to the entry of this Consent Decree without trial or adjudication of any issue of any fact or law herein and without this Decree constituting any evidence against, or an admission by, any party with respect to such issue; now, therefore, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein, and upon consent of the parties hereto, it is hereby ordered and decreed as follows:

I. JURISDICTION

This Court has jurisdiction of the subject matter of this action.

II. RELIEF

A. Injunctions

1. Defendants, their agents, employees or other persons acting for them or under their control, are permanently enjoined pursuant to 10 M.R.S.A. § 1104:



a. from entering into or continuing in any combination or conspiracy with a competitor to pressure, urge or request a manufacturer not to sell to any other competitor;

b. to divide or allocate the geographic areas in which any competitor will sell mobile or modular homes; and

c. to enter into any contract, combination or conspiracy in restraint of trade or commerce in this State in violation of 10 M.R.S.A. § 1101.

B. Penalties

Defendants shall pay to the State of Maine a civil penalty in the amount of \$7,500 within 60 days after the entry of this Consent Decree. Defendants in lieu of payment of \$7,500 may satisfy their obligation to pay this civil penalty by meeting the following conditions within 60 days after the entry of this Consent Decree:

1. Transfer title in a mobile home, with a fair retail market value in excess of \$7,500 and in good condition, to a non-profit organization or governmental entity which will use the mobile home to provide affordable housing to low income persons.

2. Deliver and set up the mobile home, at Defendant's expense, at a site to be identified by the organization or entity accepting title which site shall be located no further than 75 miles from Defendant's primary place of business.

3. The Department of the Attorney General shall

determine, in its sole discretion, whether the mobile home has a fair market value in excess of \$7,500 and is in good condition; and shall approve, in its sole discretion, the organization or entity receiving the mobile home.

C. Costs

Defendants shall pay to the State of Maine the amount of \$1,500 as reimbursement for attorney fees and costs.

III. RETENTION OF JURISDICTION

Jurisdiction is retained by the Court for the purpose of enabling any of the parties to this Consent Decree to apply to this Court at any time for such further orders or directions as may be necessary or appropriate for the construction or carrying out of the Consent Decree, for the modification or termination of any of the provisions hereof, and for the enforcement of compliance herewith.

DATED:

CONSENTED to on behalf of the  
State of Maine by:

MICHAEL E. CARPENTER  
Attorney General

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STEPHEN L. WESSLER  
Deputy Attorney General  
Chief, Consumer & Antitrust Division  
State House Station 6  
Augusta, Maine 04333  
(207) 626-8800

DATED:

CONSENTED to on behalf of Defendants

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DATED:

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It is hereby ORDERED and DECREED as set forth above.

DATED:

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JUSTICE, SUPERIOR COURT