

4. Defendant engages in the business of selling architectural hardware throughout the State of Maine. Architectural hardware is a type of hardware used on doors and door frames. Architectural hardware is sold by specialized distributors and is usually installed by the general contractor, subcontractor or the purchaser rather than by the architectural hardware distributor.

5. Purchasers of architectural hardware from the defendant include private developers and governmental bodies such as schools, hospitals and public housing projects as well as other similar users. Many of the purchasers use competitive bidding procedures in awarding contracts to architectural hardware distributors.

III. VIOLATION ALLEGED

6. Beginning sometime in 1973, and continuing up to 1978, defendant and its co-conspirators have engaged in a combination and conspiracy in unreasonable restraint of trade constituting an unfair method of competition in violation of Section 207 of the Unfair Trade Practices Act.

7. The aforesaid combination and conspiracy has consisted of a series of agreements and concert of actions among the defendant and its co-conspirators the substantial terms of which have been and are:

- a) to submit collusive non-competitive or rigged bids

on architectural hardware projects in Maine;

b) to allocate among themselves certain architectural hardware projects in Maine; and

c) to fix, raise, maintain and stabilize the effective sale price of architectural hardware.

8. For the purpose of formulating and effectuating the aforesaid combination and conspiracy, defendant and its co-conspirators did the following:

a) agreed upon the low bidder for architectural hardware projects in Maine at meetings and by telephone;

b) exchanged information relating to prospective bids; and

c) submitted intentionally high (complimentary) bids, submitted incomplete bids or withheld bids on architectural hardware projects in Maine on which the defendant or other co-conspirators had been agreed upon as the low bidder.

9. The defendant and its co-conspirators conspired to enter into the agreements described in paragraphs 7 and 8 above and did implement such agreements on a number of construction projects throughout the State of Maine including the following projects:

a) Penobscot Bay Medical Center, Rockport, Maine bid entered 1973;

b) Houlton Regional Hospital, Houlton, Maine, bid entered August, 1974;

c) Cary Medical Center, Caribou, Maine, bid entered August, 1976; and

d) Stephens Memorial Hospital, Norway, Maine, bid entered 1976.

IV. EFFECTS

10. The aforesaid combination and conspiracy in restraint of trade constituting an unfair method of competition in violation of the Unfair Trade Practices Act by the defendant and its co-conspirators have had the following effects:

a) price competition in the sale of architectural hardware in Maine has been restrained and eliminated;

b) quotations and bids for architectural hardware and public and private construction projects in Maine have been fixed and rigged at artificial and non-competitive levels; and

c) purchasers of architectural hardware in Maine have been deprived of the benefits of free and open competition in the sale of architectural hardware for public and private construction projects.

V. DAMAGES

11. During the period of the described violations and by reason of the unfair method of competition herein alleged, purchasers of architectural hardware have paid more for such products than they would have in the absence of such violations. As a result those purchasers have been injured and damaged in an

amount presently undetermined.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands:

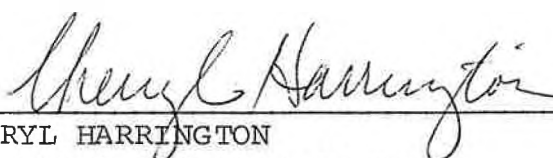
- a) that the alleged combination and conspiracy among the defendant and its co-conspirators be adjudged and decreed to be an unreasonable restraint of trade constituting an unfair method of competition in violation of § 207 of the Unfair Trade Practices Act (5 M.R.S.A. § 207);
- b) that judgment be entered against the defendant in favor of the plaintiff for the amount acquired by reason of the unfair method of competition together with the investigative cost of the Attorney General and the costs of suit;
- c) that defendant be enjoined from continuing the acts, methods, conduct and conspiracy described in this Complaint; and
- d) such other and further relief as may appear necessary and appropriate.

Dated:

December 28, 1979

Respectfully submitted

RICHARD S. COHEN
Attorney General
State of Maine


CHERYL HARRINGTON
Assistant Attorney General
Consumer and Antitrust Division
State Office Building
Augusta, Maine 04333

STATE OF MAINE

KENNEBEC, SS.

SUPERIOR COURT

CIVIL ACTION

DOCKET NOS. CV-79-767

CV-80-130 and CV-80-77

STATE OF MAINE,

Plaintiff

v.

HCI CORPORATION (CV-79-767,
DAVID THOMPSON, INC. (CV-80-130)
and CRAFTSMEN, INC. (CV-80-77),

Defendants

ORDER

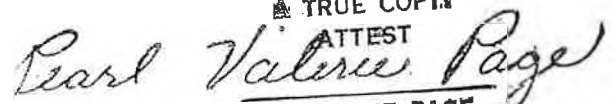
The State of Maine's Motion to Amend the Order for Disbursement of Monies is granted and it is hereby ordered that the Attorney General shall distribute \$11,196.90 to the Caribou Hospital District, not the "Cary Hospital District" as stated in the Order for Disbursement dated August 3, 1983 if the Caribou Hospital District complies with said Order by filing a claim and signing a release in a timely manner.

Dated: 10 - 5 - 83


JUSTICE, SUPERIOR COURT

TRUE COPY:

ATTEST



P. VALERIE PAGE
CLERK OF COURTS

STATE OF MAINE

KENNEBEC, SS.

SUPERIOR COURT

CIVIL ACTION

DOCKET NOS. CV-79-767

CV-80-130 and CV-80-77

STATE OF MAINE,

Plaintiff

v.

HCI CORPORATION (CV-79-767),

DAVID THOMPSON, INC. (CV-80-130)

and CRAFTSMEN, INC. (CV-80-77),

Defendants

ORDER FOR
DISBURSEMENT OF MONIES

The Plaintiff's Motion for Disbursement of Monies is granted and the Attorney General shall distribute the \$42,500 as follows:

1. \$11,196.90 to Cary Hospital District,
2. \$8,137.50 to Pen-Bay,
3. \$8,425.95 to Houlton, and
4. \$9,674.70 to Stephens

The money shall be sent to each of the above named only if within 15 days after receiving a copy of the notice attached hereto as Exhibit A sent by registered mail, (a) files a claim with the Department of the Attorney General and (b) signs a release for the amount of money received from this settlement for defendants' bid rigging activities.

The Attorney General shall receive \$200 for costs of investigation and costs of suit.

Any monies remaining unclaimed shall remain in a separate interest-bearing account and shall be used by the Attorney General solely for enforcement of the antitrust and consumer protection laws in accordance with the terms of the Consent Decrees.

Dated: 8/3/83


JUSTICE, SUPERIOR COURT

STATE OF MAINE

KENNEBEC, SS.

SUPERIOR COURT

CIVIL ACTION

DOCKET NO. C V 79-767

STATE OF MAINE,)
) Plaintiff)
))
) V.)
))
H.C.I. CORPORATION,)
) Defendant)

CONSENT DECREE

Plaintiff, State of Maine having filed its Complaint herein alleging violation of the Unfair Trade Practices Act (5 M.R.S.A. § 206 et seq.) and defendant H.C.I. Corporation having appeared by its counsel and both parties by their respective attorneys having consented to the making and entering of this Consent Decree without admission by any party in respect to any issue or any fact;

NOW THEREFORE, before any testimony has been taken herein without trial or adjudication of any issue of fact or law herein and upon consent of the parties hereto it is hereby

ORDERED, ADJUDGED AND DECREED, as follows:

I.

This court has jurisdiction over the subject matter of this action and of the parties hereto. Notice as required by

5 M.R.S.A. § 209 has been waived by the defendant.

II.

As used in this Consent Decree:

- a) "Defendants" mean H.C.I. Corporation;
- b) "Person" means any individual, partnership, corporation, association, firm or any other legal entity; and
- c) "Architectural hardware" means all types and kinds of lock sets, latch sets, hinges, bolts, knobs, holders, closers, panic bar exits, push plates, pull plates and kick plates.

III.

The provisions of this Consent Decree shall apply to the defendant and to each of its officers, directors, agents, employees, franchisees, successors and affiants and to all persons in active concert or participation with any of them who receive actual notice of this Consent Decree by personal service or otherwise.

IV.

Defendant is hereby enjoined from continuing the acts, conduct and conspiracy described in paragraphs 6 through 9 of the Complaint filed in this action, including any and all agreements, combinations and conspiracies with other distributors

of architectural hardware regarding the submission of bids on any public or private construction project in the State of Maine.

V.

A. Defendant H.C.I. Corporation shall pay to the plaintiff the sum of \$30,000, \$15,000 to be paid on or before December 28, 1979, \$15,000 to be paid on or before May 15, 1980, to be used by the Attorney General to reimburse those persons, if any, who have suffered financial harm as a result of defendant's unfair methods of competition and to cover the Attorney General's investigatory costs and the cost of this suit.

B. All monies remaining after such reimbursement payments have been made shall accrue to the Department of the Attorney General for use in antitrust law enforcement.

VI.

The Attorney General shall not institute further legal proceedings against the defendant based on the acts, conduct and conspiracies described in paragraphs 6 through 9 of the Complaint filed in this action including any and all agreements, combinations and conspiracies with other distributors or architectural hardware regarding the submission of bids on any public or private construction project in the State of Maine.

VII.

Both parties acknowledge the right of the Attorney General to prosecute actions in contempt of this Consent Decree.

VIII.

This Court shall retain jurisdiction over this matter
for the purpose of issuing such further orders as may become
necessary.

Dated: Dec 28, 1979

Roland J. Rouleau
JUSTICE SUPERIOR COURT Judge - District
Court (2 R) assigned to Sup Court

Dated: Dec 28, 1979

Raymond C. Tartre
RAYMOND C. TARTRE
President, H.C.I.

Dated: Dec 28, 1979

Charles Donelan
CHARLES DONELAN
Attorney for Defendants

Dated: Dec 28, 1979

Henry Harrington
ATTORNEY FOR STATE OF MAINE