

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, )  
c/o U.S. Department of Justice, )  
Antitrust Division )  
10th St. and Constitution Ave., N.W., )  
Washington, D.C. 20530 )  
202/633-2475 )  
202/633-2376 ) Civil Action No. 80-2495  
Plaintiff, )  
v. )  
THE FLINTKOTE COMPANY, ) Filed: September 30, 1980  
1351 Washington Boulevard, )  
Stamford, Connecticut 06902; ) September 30, 1980  
G. & W. H. CORSON, INC., )  
Joshua Rd. and Stenton Ave., )  
Plymouth Meeting, Pennsylvania 19462; )  
and )  
IU INTERNATIONAL CORP., )  
1105 N. Market Street, )  
Wilmington, Delaware 19801, )  
Defendants. )

COMPLAINT

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

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted against the defendants under Section 15 of the Clayton Act (15 U.S.C. § 25) in order to prevent and restrain the violation by the defendants as hereinafter alleged of Section 7 of the Clayton Act (15 U.S.C. § 18).

2. Defendants The Flintkote Company ("Flintkote") and IU International Corp. ("IU International") transact business in the District of Columbia.

3. Prior to April 11, 1980, defendant G. & W. H. Corson, Inc. ("Corson") transacted business in the District of Columbia.

## II

### DEFENDANTS

4. Defendant Flintkote is a Massachusetts corporation with executive offices located in Stamford, Connecticut. Flintkote is wholly owned by Genstar, Ltd., a Canadian corporation with executive offices located in San Francisco, California.

5. Defendant Corson is a Delaware corporation with its principal office located in Plymouth Meeting, Pennsylvania. Corson is a wholly-owned subsidiary of defendant IU International.

6. Defendant IU International is a Maryland corporation with corporate offices in Wilmington, Delaware and with executive offices in Philadelphia, Pennsylvania.

## III

### TRADE AND COMMERCE

7. Dry-mixed concrete products are combinations of cement and sand, or cement, sand and stone. The ingredients and proportions vary depending upon the purpose for which the product is to be used. Producers of dry-mixed concrete products blend these materials at their manufacturing facilities and sell the mixed products in bags with weights generally ranging from as low as 20 pounds to as much as 80 pounds.

8. Dry-mixed concrete products are used, among other things, to cement bricks, to patch and repair existing concrete structures, and to construct small concrete structures. Manufacturers sell dry-mixed concrete products to wholesalers, who distribute the products to retail outlets such as hardware stores and lumber yards. In addition, manufacturers sell

dry-mixed concrete products directly to retail outlets. Most of the end users of dry-mixed concrete products are individual consumers. Because of the high cost involved in transporting dry-mixed concrete products in relation to the price per pound of product, dry-mixed concrete products are marketed on a regional basis.

9. Prior to April 11, 1980, Corson was the second largest manufacturer of dry-mixed concrete products in the northeastern United States. It manufactured and sold these products through its Home-Crete Division, which had plants located in Gibbsboro, New Jersey and in Milford, Virginia.

10. In 1979, Corson sold approximately \$2.1 million of dry-mixed concrete products. These products were sold primarily in northern Virginia, the District of Columbia, eastern Maryland, Delaware, New Jersey, western Pennsylvania, and the New York City metropolitan area.

11. In 1979, Flintkote sold approximately \$15.5 million of dry-mixed concrete products in the United States. Flintkote is the largest manufacturer of dry-mixed concrete products in the northeastern United States. In this area, Flintkote owns five plants which manufacture and sell dry-mixed concrete products. They are located in White Marsh, Maryland; Kenvil, New Jersey; Fredonia, Pennsylvania; Batavia, New York; and Oxford, Massachusetts.

12. Flintkote competed with Corson in the sale of dry-mixed concrete products in the geographic area described in Paragraph 10. The northern portion of the geographic area is primarily served by Flintkote's Kenvil, New Jersey plant. The southern portion of this geographic area is primarily served by Flintkote's White Marsh, Maryland plant.

13. In 1979, Flintkote accounted for approximately 67 percent of all sales of dry-mixed concrete products from

plants that served the cities of Washington, Baltimore, their surrounding metropolitan areas, and intermediate points (hereinafter the "Washington/Baltimore market"); and Corson accounted for approximately 26 percent of such sales in this area. The total amount of sales of dry-mixed concrete products from plants that served this market was approximately \$8 million in 1979. Other than Flintkote and Corson, only one other firm is known to have sold dry-mixed concrete products in the Washington/Baltimore market, and its share of that market was less than 10 percent.

14. In 1979, Flintkote accounted for approximately 63 percent of all sales of dry-mixed concrete products from plants that served the cities of Philadelphia, New York, their surrounding metropolitan areas, and intermediate points (hereinafter the "Philadelphia/New York market"); and Corson accounted for approximately 9 percent of such sales in this area. The total amount of sales of dry-mixed concrete products from plants that served this market was approximately \$13.5 million in 1979.

15. Substantial quantities of dry-mixed concrete products produced by Flintkote are regularly sold and shipped in interstate commerce.

16. Prior to April 11, 1980, substantial quantities of dry-mixed concrete products produced by Corson were regularly sold and shipped in interstate commerce.

#### IV

#### VIOLATION ALLEGED

17. On or about April 11, 1980, Flintkote acquired the assets of Corson's Home-Crete Division for total consideration in excess of \$1.9 million.

18. The effect of this acquisition may be substantially to lessen competition or to tend to create a monopoly in the production and sale of dry-mixed concrete products in the

Washington/Baltimore market, and in the Philadelphia/New York market in violation of Section 7 of the Clayton Act in the following ways, among others:

(a) Actual competition and potential competition between Flintkote and Corson in the production and sale of dry-mixed concrete products has been eliminated;

(b) Competition generally in the production and sale of dry-mixed concrete products may be substantially lessened; and

(c) Concentration in the production and sale of dry-mixed concrete products may be substantially increased.

PRAYER

WHEREFORE, the plaintiff prays that this court:

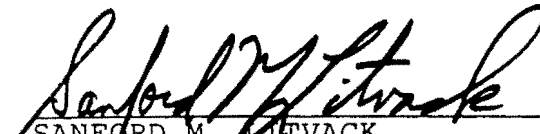
1. Adjudge and decree that the acquisition of the assets of the Home-Crete Division of Corson by Flintkote is a violation of Section 7 of the Clayton Act.

2. Order Flintkote to divest itself of the two manufacturing facilities located in Milford, Virginia and Gibbsboro, New Jersey sold to Flintkote by Corson and IU International, or, in the alternative, order rescission of the transaction.

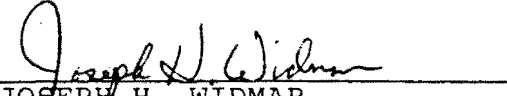
3. Enjoin Flintkote from acquiring, either directly or indirectly, the stock or assets of any other manufacturer of dry-mixed concrete products located in the northeastern United States.

4. Grant such other, further and different relief as this court may deem just and proper.


5. Award plaintiff its costs of suit.

  
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