



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, MAY 6, 2010
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GEORGIA FOOD EQUIPMENT HARDWARE MANUFACTURER AND ITS FORMER PRESIDENT AGREE TO PLEAD GUILTY TO CUSTOMER ALLOCATION CONSPIRACY

WASHINGTON — A New York corporation, whose principal place of business is Newnan, Ga., and its former president have agreed to plead guilty to conspiring to allocate customers for the sale of food service equipment hardware, including walk-in refrigeration equipment, the Department of Justice today announced.

According to a one-count felony charge filed in U.S. District Court in Atlanta, Kason Industries Inc. and Peter A. Katz, its former president, participated in a conspiracy to allocate customers for food service equipment hardware sold in the United States and elsewhere from December 2004 until at least December 2008. The department said that the purpose of the charged conspiracy was to reduce and eliminate competition in the sale of the food service equipment hardware manufactured or sold by Kason Industries, Katz and their co-conspirators.

Food service equipment hardware includes fabricated parts, such as cafeteria hardware, equipment legs and casters, and fabrication supplies, and walk-in refrigeration components, such as metal racks, door hinges, handles, latches, closers and panel fasteners. According to the plea agreements, which are subject to court approval, Kason Industries and Katz have agreed to cooperate with the department's ongoing antitrust investigation.

According to court documents, Katz and co-conspirators agreed during meetings and telephone and e-mail discussions to allocate customers of food service equipment hardware; not to compete for one another's protected customers or to submit intentionally high prices or bids to certain customers; to exchange prices to customers so as not to undercut one another's prices; and to sell food service equipment hardware at collusive and noncompetitive prices.

Kason Industries and Katz are each charged with allocating customers in violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million fine for individuals and a \$100 million fine for corporations. The maximum fines may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either of those amounts is greater than the statutory maximum fines.

Today's charge is the first to arise from an ongoing federal antitrust investigation of customer allocation in the food service equipment hardware industry. The investigation is being conducted by the Antitrust Division's Atlanta Field Office and the FBI's Atlanta Office.

Anyone with information concerning customer allocation or other anti-competitive conduct in the food service equipment hardware industry should contact the Antitrust Division's Atlanta Field Office at 404-331-7100 or visit www.justice.gov/atr/contact/newcase.htm.

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