



Department of Justice

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TWO BUILDING INSULATION COMPANIES AND THEIR PRESIDENTS INDICTED FOR PRICE FIXING

A Third Company Is Also Charged In The Conspiracy And Has Agreed To Plead Guilty

WASHINGTON, D.C. -- A federal grand jury in Houston today indicted two building insulation companies and their presidents for participating in a conspiracy to suppress and restrain competition in the metal building insulation industry, the Department of Justice announced. In addition, a third metal building insulation company has agreed to plead guilty for its participation in the same conspiracy.

Today's indictment was filed in U.S. District Court in Houston against Therm-All Inc., headquartered near Cleveland, Ohio, and its president, Robert L. Smigel, and Supreme Insulation Inc., headquartered in Greensboro, North Carolina, and its president, Tula D. Thompson. The defendants are charged with conspiring with others to raise, fix, and maintain prices for the sale of metal building insulation sold to customers in certain regions of the U.S. between January 1994 and June 1995.

In a separate one-count criminal case, filed today in U.S. District Court in Houston, the Department also charged Bay Industries Inc., of Green Bay, Wisconsin, and unnamed co-conspirators with participating in a conspiracy to fix the price of metal building insulation sold from its facilities in the southern U.S. The company and the government will recommend a \$3.5 million criminal antitrust fine, which is subject to court approval.

"The Antitrust Division is committed to vigorously prosecuting conspiracies that corrupt the competitive process," said Joel I. Klein, Assistant Attorney General in charge of the

Department's Antitrust Division. "These agreements deprived customers of the benefits of free and open competition."

Today's cases are the latest to arise out of the Department's ongoing nationwide antitrust investigation into suspected price fixing in the metal building insulation industry. To date, one company and four individuals have been convicted for their participation in the conspiracy. Mizell Bros. Co., headquartered in Atlanta, has been charged and is awaiting arraignment and sentencing for its participation in the conspiracy. Earlier convictions include:

- Hiplax International Corp., d/b/a Brite Insulation, a Houston-based company;
- Mark Albert Maloof, regional sales manager for Bay Industries, Inc.;
- Jerrold Warren Killingsworth, an executive of Hiplax;
- Yun Lung Yueh, also known as Peter Yueh, an executive of Hiplax;
- Huber Wallace "Wally" Rhodes Jr., an executive with Mizell Bros. Co.

Each of the defendants in today's cases is charged with violating Section 1 of the Sherman Act, which carries a maximum fine of \$10 million for corporations, and a maximum penalty of three years imprisonment and a \$350,000 fine for individuals. The maximum fine for both corporations and individuals 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 fine.

The investigation is being conducted by the Antitrust Division's Dallas Field Office and the Federal Bureau of Investigation in Houston.

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