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## JUSTICE NEWS

**Department of Justice**

Office of Public Affairs

FOR IMMEDIATE RELEASE

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### **Verzatec Abandons Proposed Acquisition of Crane Composites Following Justice Department Suit to Block**

#### **Proposed Acquisition Would Have Allowed Verzatec to Eliminate its Rival, Monopolize the Market and Harm American Businesses**

The Department of Justice announced today that Grupo Verzatec S.A. de C.V. (Verzatec) has abandoned its proposed acquisition of Crane Composites (Crane), a wholly-owned subsidiary of Crane Co. The proposed transaction would have eliminated intense competition between Verzatec and its biggest competitor, Crane, allowing Verzatec to dominate the industry and harm American businesses.

On March 17, the [department filed suit to block the transaction](#) in the U.S. District Court for the Northern District of Illinois. The complaint alleged that the proposed \$360 million transaction would harm competition in production and sale of pebbled fiberglass reinforced plastic (FRP) wall panels, whose product and performance characteristics make it the wall covering of choice for many restaurants, grocery stores, hospitals and convenience stores across the United States. The trial was scheduled for Oct. 4. As a result of Verzatec and Crane's decision to terminate their transaction agreement, the United States has filed a joint stipulation of dismissal.

"Verzatec's proposed acquisition of Crane was a brazen attempt to eliminate its main rival and establish a monopoly in this market. This case further demonstrates the Justice Department's resolve to file and litigate suits to block unlawful and anticompetitive mergers under both the Clayton Act and as illegal monopolization under the Sherman Act," said Assistant Attorney General Jonathan Kanter of the Justice Department's Antitrust Division. "I would like to recognize the tremendous efforts of our staff who investigated and litigated the case so strongly and applaud them for this excellent result on behalf of American businesses."

As a result of the abandonment, building supply distributors and home-improvement retailers across the nation will continue to benefit from the head-to-head competition between the companies, as will the many American businesses that use pebbled FRP in applications where low cost, durability and sanitary performance are paramount.

Verzatec is a privately held Mexican corporation with its headquarters in Monterrey, Mexico. Verzatec and its subsidiary Stabilit America Inc. produce and sell building materials and wall coverings, including pebbled FRP wall panels, in the United States under several business units, including Glasteel, Marlite and Nudo.

Crane Company is a Delaware corporation headquartered in Stamford, Connecticut. Crane Company's wholly-owned subsidiary Crane Composites Inc. manufactures and sells pebbled FRP wall panels in the United States under several brand names, including Glasbord and Sequentia.

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