

affixed to wool products without setting forth the correct percentage of the mohair present.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF
AUTOMATIC RETAILERS OF AMERICA, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT

Docket C-809. Complaint, Aug. 14, 1964—Decision, Aug. 14, 1964

Consent order requiring a large Philadelphia operator of automatic vending machine enterprises to divest two of its acquired vending businesses and refrain from acquiring such businesses in certain areas for the next 3 years without the prior approval of the Federal Trade Commission.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above-named respondent has violated and is violating the provisions of Section 7 of the Clayton Act, as amended (U.S.C., Title 15, Section 18), through the acquisition of the stock and assets of approximately forty (40) corporations, hereinafter more particularly designated and described, and that respondent has engaged in unfair methods of competition, acts and practices through these and numerous other acquisitions in violation of Section 5 of the Federal Trade Commission Act (U.S.C., Title 15, Section 45), and believing that a proceeding in this regard will be in the public interest, hereby issues its complaint pursuant to Section 11 of the Clayton Act and Section 5 of the Federal Trade Commission Act, charging as follows:

I.

Definitions

1. For the purposes of this complaint, the following definition shall apply:

a. "Vending machine" means any coin operated electronic or mechanical device which dispenses vendible products.

b. "Vendible products" means one, or any combination, of the following:

- | | |
|---------------------------|-----------------------------|
| (1) Cigarettes. | (7) Cold cup beverages. |
| (2) Packaged candy. | (8) Milk and ice cream. |
| (3) Packaged gum. | (9) Pastries. |
| (4) Packaged nuts. | (10) Sandwiches and salads. |
| (5) Cookies and crackers. | (11) Hot canned foods. |
| (6) Hot cup beverages. | (12) Food platters. |

c. "Location" means the establishment or site at which the vending machine is placed.

d. "Industrial locations" means vending machine sites such as factories, plants, schools, hospitals office buildings and military installations.

e. "Commercial locations" means all public or off-street vending machine sites not included in the definition for industrial locations.

f. "Vending business" means the business of soliciting and obtaining locations, installing, operating and servicing vending machines therein, and selling vendible products through said vending machines.

g. "Vendor" means a person, partnership, or corporation, engaged in the vending business in the United States.

h. "Single-line vendor" means a vendor engaged in vending only one type of vendible products.

i. "Multiple-line vendor" means a vendor engaged in vending two or more vendible products, but who does not vend any sandwiches, salads, hot canned foods or food platters.

j. "Full-line vendor" means a multiple-line vendor who is also engaged in vending sandwiches, salads, hot canned foods, or food platters.

II

Respondent

2. Automatic Retailers of America, Inc. (ARA), respondent herein, is a corporation organized in February, 1959 *sub nomine* Davidson Automatic Merchandising Co., Inc., and existing under the laws of the State of Delaware, with its principal office located at 10889 Wilshire Boulevard, Los Angeles, California. The present corporate name was adopted on December 30, 1959. As used herein, respondent ARA includes Automatic Retailers of America, Inc., its wholly owned subsidiaries, and its predecessor.

3. ARA is engaged in the vending business in more than twenty-five States of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

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4. For its fiscal years 1960 through 1962, the total sales, net income and assets of ARA stated in millions of dollars were approximately as follows:

Year	Total sales	Net income	Assets
1960	\$37.4	\$1.1	\$19.2
1961	110.9	2.3	59.0
1962	180.8	4.0	79.0

5. At all times relevant herein, ARA purchased, shipped and sold its products, including vendible products, in interstate commerce, and conducted its business in interstate commerce and at federal military installations and other places subject to the jurisdiction of the United States, through its many offices, warehouses and distribution points located throughout the United States.

III

The Nature of Trade and Commerce

6. The "line of commerce" for the purpose of this case is the vending business, as defined in paragraph 1(f) above.

7. The vending business in the United States is substantial. In 1962, vending sales of vendible products amounted to about \$2,178,700,000.

8. ARA is the second largest full-line vendor in the vending business in the United States, serving approximately 21,000 industrial and commercial locations through approximately 70,000 vending machines placed at said locations in more than 25 states.

9. As a result of technological and economic changes in the vending business since 1945, the vending business is no longer a small business industry. Between 1960 and 1961 alone, over 500 independent vendors were acquired. Large regional and national companies have emerged as a result of this trend. Substantially contributing to this trend, ARA, from the date of its incorporation in 1959 through April 1963, acquired numerous firms engaged in the vending business throughout the United States, as particularly designated and described in Appendix A [p. 510 herein] hereto, incorporated herein by reference.

10. In a series of transactions beginning in 1959, ARA has acquired the stock or assets of corporations, partnerships and proprietorships, set forth in Appendix A [p. 510 herein], engaged in the vending business in many geographic markets throughout the United States, at a cost of approximately \$66,000,000. As of April 1962, the cumulative sales of these acquired companies for the year prior to their acquisition

totaled approximately \$144,000,000. Each of the acquired companies was engaged in the vending business in actual or potential competition with ARA.

11. The sections of the country which constitute the geographic markets relevant herein, include among others, the following:

- a. The United States as a whole,
- b. Marion County, Indiana,
- c. Monroe County, New York,
- d. Cook County, Illinois,
- e. Clark County, Nevada,
- f. Honolulu County, Hawaii,
- g. Jefferson County, Alabama,
- h. Montgomery County, Ohio,
- i. Wayne County, Michigan,
- j. San Diego County, California,
- k. Baltimore City and Baltimore County, Maryland.

12. ARA's acquisitions include, among others, the following, identified by date of acquisition, name, geographic market and main office:

- a. In 1960 ARA acquired the stock of Automatic Coffee Service Company, Inc., a corporation, Marion County, Indiana; Indianapolis, Indiana.
- b. In 1960 ARA acquired the assets of two corporations, K.O.R., Inc. and Quick Cafeterias, Inc., both doing business as Quick Cafeteria Service, Monroe County, New York; Rochester, New York.
- c. In 1960 ARA acquired the stock of Vernon Fox Co., a corporation, Cook County, Illinois; Chicago, Illinois.
- d. In 1961 ARA acquired the assets of Sutton Vending Service, Inc., a corporation, Clark County, Nevada; Las Vegas, Nevada.
- e. In 1961 ARA acquired the stock of Southern Cigarette Service, Inc., a corporation, and its wholly owned subsidiary, Jefferson County, Alabama; Birmingham, Alabama.
- f. In 1961 ARA acquired the stock of Automatic Food Services, a corporation, Jefferson County, Alabama; Birmingham, Alabama.
- g. In 1961 ARA acquired the stock of Pacific Tobacco, Inc., a corporation, Honolulu County, Hawaii; Honolulu, Hawaii.
- h. In 1961 ARA acquired the stock of Sonnie-Gay, Ltd., a corporation Honolulu County, Hawaii; Honolulu, Hawaii.
- i. In 1961 ARA acquired the stock of Automatic Vending Enterprises Inc., a corporation, and its wholly owned subsidiaries, Montgomery County, Ohio; Middletown, Ohio.
- j. In 1961 ARA acquired the assets of Vendo Cigarette Company, a corporation, Wayne County, Michigan; Detroit, Michigan.

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k. In 1961 ARA acquired the stock of Honolulu Tobacco Company, Ltd., a corporation, Honolulu County, Hawaii; Honolulu, Hawaii.

l. In 1961 ARA acquired the stock of Michigan Cigarette Vending Co., Inc., a corporation, Wayne County, Michigan; Detroit, Michigan.

m. In 1961 ARA acquired the stock of Vend-O-Matic Co., Inc., a corporation, Cook County, Illinois; Chicago, Illinois.

n. In 1961 ARA acquired the stock of Catermat Corporation of America, a corporation, San Diego County, California; Los Angeles, California.

o. In 1962 ARA acquired the stock of Automatic Food Systems, Inc., a corporation, and its wholly owned subsidiaries, Baltimore County, Maryland; Baltimore, Maryland.

p. In 1962 ARA acquired Central Vending Company, a partnership, Wayne County, Michigan; Detroit, Michigan.

13. Prior to and at the time of their acquisition by ARA, each of the acquired companies designated in paragraph 12 above regularly:

a. Purchased vendible products and other products in interstate commerce, and

b. Shipped or caused such products to be shipped in interstate commerce, and

c. Sold such products in interstate commerce, and

d. Sold such products at federal military installations, or other places subject to the jurisdiction of the United States.

IV

Violation of Section 7 of the Clayton Act

14. The effect of the corporate acquisitions by ARA described and set forth in paragraph 12 above, individually and collectively, may be substantially to lessen competition or to tend to create a monopoly, in the vending business in each relevant geographic market in violation of Section 7 of the Clayton Act, as amended, in the following ways, among others:

a. Actual and potential competition between respondent and each of the acquired corporations has been eliminated;

b. Actual and potential competition between respondent and other vendors may be substantially lessened;

c. Respondent has achieved a dominant position in terms of financial resources, marketing power, and managerial and engineering resources;

d. Respondent's power to purchase vendible products, vending machines, and other vending fixtures, accessories and supplies has been increased to such a substantial extent that it may obtain discounts, rebates, and allowances substantially larger than other vendors receive;

e. Respondent has decisively enhanced its power to compete for all locations, particularly the large and lucrative locations, by offering higher bids and commissions, new vending machines, advance commissions, loans, and other inducements to existing or prospective location owners;

f. Entry into the vending business may be discouraged or inhibited;

g. Concentration in the vending business has been substantially increased, and a substantial number of small, independent vendors have been eliminated from the vending business.

v

Violation of Section 5 of the Federal Trade Commission Act

15. ARA's acquisitions, individually and collectively, specifically designated and described in Appendix A hereto, are methods of competition and acts and practices in commerce within the meaning of the Federal Trade Commission Act.

16. These acquisitions, individually and collectively, constitute unfair methods of competition and unfair acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act, in the following ways, among others:

a. Actual and potential competition in the vending business between ARA and the acquired corporations, partnerships and proprietorships has been eliminated;

b. Respondent has monopolized or attempted to monopolize the vending business in all relevant geographic markets;

c. The acquisition of these corporations, partnerships, and proprietorships constitute an unreasonable restraint of trade and commerce, as described in paragraph 14 above.

Now therefore, the corporate acquisitions by ARA, set forth in paragraph 12 above constitute violations of Section 7 of the Clayton Act. (U.S.C. Title 15, Section 18), as amended, and the acquisitions by ARA set forth in Appendix A constitute a violation of Section 5 of the Federal Trade Commission Act (U.S.C. Title 15, Section 45).

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IN THE MATTER OF
AUTOMATIC RETAILERS OF AMERICA, INC.
APPENDIX A
Acquired Corporations, Partnerships and Proprietorships

	Acquired company name	Type of acquisition	State of incorporation or type of business	Approximate purchase price	Approximate sales for year prior to acquisition	Primary—Sales area	
						State	Counties
1969							
1. Mar.	25—Allied Vending Products, Inc.	Stock	California		\$0, 800, 000	California	Los Angeles and San Diego.
2. Mar.	26—General Vendors, Inc.	Stock	California				
3. Mar.	26—Davidson Bros. of Los Angeles	Stock	California	\$4, 250, 000			
4. Mar.	26—Spacard of Southern Calif., Inc.	Stock	California				
5. Mar.	26—Davidson Equipment Co., Inc.	Stock	California		2, 303, 240	California	San Diego.
6. Mar.	26—Davidson Bros. of San Diego, Inc.	Stock	California	65, 800	300, 000	California	Los Angeles.
7. May	20—Automatic Merchants Service Co.	Asset	Partnership	1, 200, 000	6, 400, 000	Illinois	Cook, DuPage.
8. Sept.	17—Automatic Merchandising Co.	Stock	Nevada			Indiana	Lake.
						Michigan	Oakland, Wayne.
						Wisconsin	Racine, Kenosha.
9. Sept.	23—Leming Cigarette Service	Asset	Proprietorship	8, 000	(NA*)	California	Los Angeles, Orange.
10. Sept.	23—Vending Machine Corporation of America.	Asset	Delaware	500, 000	2, 271, 000	California	Tulsa.
11. Dec.	3—Howard Vending Service, Inc.	Stock	Indiana	367, 000	1, 465, 000	Indiana	Marion, Monroe, Howard.
12. Dec.	10—San Diego Music Company Incorporated.	Asset	California	37, 700	(NA)	California	San Diego.
1960							
13. Feb.	18—Food-O-Matic Sales Company	Asset	Partnership	80, 000	(NA)	California	Los Angeles.
14. Mar.	1—Flow-Dee Company, Inc.	Asset	Massachusetts	585, 000	1, 300, 000	Massachusetts	Hamden.
15. Mar.	1—Automatic Food Services, Inc.	Asset	Massachusetts	32, 000	128, 000	Massachusetts	Suffolk.
16. Mar.	22—Harbor Cigarette Company	Asset	Proprietorship	3, 500	(NA)	California	Orange.
17. Apr.	1—The Kelson Company	Asset	Ohio	1, 425, 000	3, 300, 000	Ohio	Hamilton, Montgomery.
18. Apr.	1—The Kelson Vendomatic Company	Asset	Ohio	50, 000	80, 000	Ohio	Hamilton.
19. Apr.	1—Kelson Cup Drinks, Inc.	Asset	Ohio	100, 000	210, 000	Ohio	Montgomery.
20. Apr.	25—Tracy Automatic Sales Co.	Asset	Proprietorship	81, 000	200, 000	California	Los Angeles.
21. May	6—Automatic Coffee Service Company, Inc.	Stock	Indiana	140, 000	1 608, 484	Indiana	Marion.

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22. June	2—Signal Vending Service	Asset	Proprietorship	11,000	(NA)	California	Orange
23. July	6—K.O.R., Inc.	Asset	New York	1,690,000	1,885,000	New York	Monroe
24. July	6—Quick Cafeterias, Inc.	Asset	New York	243,000	(NA)	California	Monroe
25. July	25—Rowe Service Co., Inc.	Asset	New Jersey			California	Los Angeles, Riverside, San Bernardino
26. Aug.	15—Edward L. Nelson, Co.	Asset	Proprietorship	41,000	117,000	California	Los Angeles
27. Aug.	31—Industrial Vendors, Inc. and I.V.I. Coffee Service, Inc.	Stock	Indiana			Indiana	Lake
28. Sept.	19—Meiers Vending Co.	Asset	Proprietorship	600,000	1,500,000	Illinois	Cook
29. Sept.	26—County Beverage Company, Inc.	Asset	Proprietorship	91,369	215,700	Illinois	Sangamon
30. Sept.	30—Midwest Food Service, Inc.	Stock	California	154,570	412,000	California	San Diego
31. Oct.	3—Serv-U Vending Company, Inc.	Asset	Illinois	600,000	3,123,000	Indiana, Illinois, Iowa, Michigan, Missouri and Ohio	
32. Oct.	3—Allied Vending Engineers, Inc.	Stock	Massachusetts	185,000	309,000	Illinois	Kane
33. Oct.	3—Tennessee Service Company	Stock	Tennessee	1,154,000	1,411,000	Massachusetts	Middlesex
34. Oct.	3—Smokey Service Company	Stock	Tennessee	132,400	204,000	Tennessee and Georgia	
35. Oct.	3—Southern Industrial Service, Inc.	Stock	Tennessee	142,000	177,000	South Carolina and Georgia	
36. Oct.	3—Industrial Service, Inc.	Stock	Tennessee	321,000	470,000	South Carolina and Georgia	
37. Oct.	5—Reacon Beverage Co.	Asset	Proprietorship	280,000	352,000	Indiana	St. Joseph, Elkart.
38. Oct.	18—Beall Vending Corp.	Asset	Iowa	77,000	51,000	Iowa	Polk
39. Oct.	23—Oxnard Automatic Sales	Asset	Proprietorship	24,000	(NA)	California	Los Angeles
40. Dec.	12—Harmony Cigarette Service, Inc.	Asset	California	155,500	517,000	California	Los Angeles
41. Dec.	16—Walter C. Knack Company	Asset	Illinois	60,000	(NA)	Illinois	Tri City area
42. Dec.	20—Control-Vend, Inc.	Asset	Illinois	275,000	1,200,000	Illinois	Cook
43. Dec.	20—Sales & Service Vending Co.	Asset	Illinois	43,000	1,205,000	Illinois	Cook
44. Dec.	20—Vernon For Co.	Stock	Illinois	541,800	2,350,000	Illinois	Cook, Lake
45. Dec.	31—Cooper Industrial Food Service, Inc.	Asset	Illinois	730,000	232,000	Illinois	Cook
46. Jan.	1—Frost Tea Vend.	Asset	Partnership	470,000	600,000	New York	Monroe
47. Jan.	3—Sutton Vending Service, Inc.	Asset	Nevada	433,200	1,765,000	Nevada	Clark
48. Jan.	6—Fienken Cigarette Machine Co.	Asset	Partnership	82,000	(NA)	California	San Diego
49. Jan.	6—Oakland Vending Co.	Asset	Partnership	275,000	345,000	Michigan	Oakland
50. Jan.	9—Cigarette Service Co. of Fresno, Inc.	Stock	California	625,000	1,630,000	California	Fresno
51. Jan.	20—American Coin & Vending Co.	Asset	Partnership	24,000	(NA)	Nevada	Clark
52. Jan.	30—Colemat Co., Inc.	Asset	New York	450,000	965,000	New York	New York City
53. Feb.	2—Clusker Vending Company	Asset	Proprietorship	5,000	(NA)	Alabama	Jefferson
54. Feb.	6—Superior Vend.	Asset	Partnership	108,000	(NA)	California	Los Angeles
55. Feb.	13—Cornell Vending Service	Asset	California	20,000	(NA)	California	Los Angeles
56. Feb.	13—Peoples Bakery Service	Asset	Proprietorship	4,000	(NA)	Alabama	Madison
57. Feb.	16—Suggs Vending Service	Asset	Proprietorship	25,000	(NA)	Alabama	Callahan
58. Mar.	1—Oakland Coin Co.	Asset	Partnership	50,500	(NA)	Michigan	Oakland

See footnotes at end of table.

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APPENDIX A—Continued

	Acquired company name	Type of acquisition	State of incorporation or type of business	Approximate purchase price	Approximate sales for year prior to acquisition	Primary—Sales area	
						State	Counties
1961							
59. Mar.	22—Roe Cigarette Service, Inc.	Stock	Alabama	{ \$435,000 }	{ 2,216,000 2,293,000 3,811,000 3,215,000 }	Alabama	Madison.
60. Mar.	22—Roe Vending Co., Inc.	Stock	Alabama			Alabama	Madison.
61. Mar.	22—Super Vending Company, Inc.	Stock	Alabama			Alabama	Mobile.
62. Mar.	22—Vending Engineers, Inc.	Stock	Alabama			Alabama	Alabama, Florida, Georgia, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee.
63. Mar.	22—Coffee Vending Co.	Asset	Partnership	243,000	3,221,000	Alabama	Jefferson.
64. Mar.	22—Southern Cigarette Service, Inc. & Bama Distributors, Inc.	Stock	Alabama	{ 1,700,000 }	{ 2,500,000 3,152,000 3,64,000 3,311,000 }	Alabama	Caltoun, Jefferson, Tallahoga, and Etowah.
65. Mar.	22—Automatic Food Services of Mobile.	Stock	Alabama			Alabama	Mobile.
66. Mar.	22—Mobile Vending Company, Inc.	Stock	Alabama			Alabama	Mobile.
67. Mar.	22—Automatic Food Services.	Stock	Alabama			Alabama	Jefferson.
68. Mar.	24—Pacific Tobacco, Inc.	Stock	Hawaii	1,000,000	1,621,691	Hawaii	Honolulu.
69. Mar.	24—Sonata Inc., Ltd.	Stock	Hawaii	535,000	677,000	Hawaii	Honolulu.
70. Mar.	28—Automatic Vending Enterprises, Inc. and subsidiaries.	Stock	Ohio	2,400,000	1,600,000	Ohio	Montgomery, Marion, Miami, Franklin, Butler, Fairfield, Green.
71. May	Winchester Vending, Inc.	Stock	Indiana	{ 315,000 60,000 }	{ (NA) (NA) }	Indiana	Randolph.
72. May	Salem Vending, Inc.	Stock	New Jersey			New Jersey	Salem.
	1—Vendo Cigarette Company	Asset	Michigan			Michigan	Wayne.
73. May	5—Automatic Coffee Service of Southern Calif., Inc.	Asset	Delaware				
74. May	5—Coffee Automatic.	Asset	Partnership	90,000	251,000	California	Los Angeles.
75. May	16—Pico Vending Co., Inc.	Asset	California	41,000	(NA)	California	Los Angeles.
76. May	16—Gates Automatic Merchandising.	Asset	Proprietorship	25,000	73,000	Indiana	Warren, Vermillion.
77. May	20—Merchants Candy & Notions Company.	Asset	Proprietorship	25,000	190,000	Alabama	Colbert.
78. June	20—Estate of Horace K. Ward	Asset	Proprietorship	5,975	(NA)	California	Los Angeles.
79. June	2—Automatic Games Co.	Asset	Proprietorship	32,300	(NA)	California	Orange.
80. June	2—Aene Vending Machine Corp.	Stock	Proprietorship	453,000	416,000	New York	Onondaga.
	2—Kwik Kale Coffee Services of Central New York, Inc.	Asset	New York	255,000	376,000	New York	Onondaga.
81. June	2—Piedmont Vendors, Inc.	Stock	South Carolina	402,700	670,000	South Carolina and Georgia.	
82. June	14—Candy Distributors, Ltd.	Stock	Hawaii	300,000	518,000	Hawaii	Honolulu.
83. June	16—Springfield Spacarb, Inc.	Asset	Massachusetts	60,000	120,000	Massachusetts	Hampton.
84. June	19—Cigarette Service.	Asset	Partnership	150,306	665,000	Georgia	Chatham.
85. June	30—Moore Cigar & Candy Company.	Asset	Proprietorship	25,000	(NA)	Alabama	Lauderdale.
86. June	30—Bryant Vending Co.	Asset	Proprietorship	90,000	(NA)	Indiana	St. Joseph, Elkart.

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87. July 31—Hondaito Tobacco Company, Ltd.	Stock	Hawaii	450,000	4,200,000	Hawaii	Honolulu.
88. July 21—Slater System, Inc.	Stock	Delaware				
89. July 21—Slater Corp.	Stock	Delaware				
90. July 21—Slater System New York, Inc.	Stock	New York				
91. July 21—Slater System Maryland, Inc.	Stock	Maryland				
92. July 21—Slater System N. Carolina, Inc.	Stock	Delaware				
93. July 21—Slater System Virginia, Inc.	Stock	Delaware				
94. July 21—Slater System Virginia, Inc.	Stock	Minnesota				
95. July 21—Slater-Minnesota Corporation	Stock	Texas				
96. July 21—Slater System Texas, Inc.	Stock	Texas				
97. July 21—Slater International	Stock	Delaware				
98. July 21—Hospital Food Management (Del.)	Stock	Delaware				
99. July 21—Hospital Food Management (R.I.)	Stock	Rhode Island				
100. July 21—Hospital Food Management (Pa.)	Stock	Pennsylvania				
101. July 21—Hospital Food Management (Virginia)	Stock	Virginia				
102. July 21—Hospital Food Management (South Carolina)	Stock	South Carolina				
103. July 21—Hospital Food Management (Ohio)	Stock	Ohio				
104. July 21—H.F.M. Inc.	Stock	Delaware				
105. July 21—Hospital Food Management (Calif.)	Stock	California				
106. July 21—Hospital Food Management (Maryland)	Stock	Maryland				
107. Aug. 2—Michigan Cigarette Vending Co., Inc.	Stock	Michigan	230,000	1,100,000	Michigan	Wayne, Cook, Lake.
108. Aug. 3—Vend-O-Matic Co., Inc.	Stock	Illinois	8,000,000	4,500,000	Illinois	Fresno.
109. Aug. 31—Pepsi Cola Distributing of Fresno, Inc.	Asset	California	25,000	25,000	California	Mobile.
110. Sept. 29—B. C. Vending Co.	Asset	Proprietorship	65,000	(NA)	Alabama	Fresno.
111. Oct. 6—Best Cigarette Service	Asset	Proprietorship	80,000	200,000	California	San Diego.
112. Nov. 28—Badger Sales Company, Inc.	Asset	Proprietorship	75,000	(NA)	California	San Diego.
113. Dec. 29—Catermal Corporation of America	Stock	California	950,000	1,100,000	California	Los Angeles, San Diego.
114. Nov. 3—Sprent-Smith, Incorporated	Asset	Connecticut	100,000	375,000	Connecticut	
1962						
115. Jan. 3—Automatic Food System, Inc.	Stock	Maryland				
116. Jan. 3—Automatic Cafeterias, Inc.	Stock	New Jersey				
117. Jan. 3—Berts Automatic Vending, Inc.	Stock	Pennsylvania				
118. Jan. 3—Industrial Vendors, Inc. of Conshohocken	Stock	Pennsylvania				
119. Jan. 3—Kwik Kafe of Allentown, Inc.	Stock	Pennsylvania				
120. Jan. 3—Kwik Kafe of Berks County, Inc.	Stock	Pennsylvania				
121. Jan. 3—Kwik Kafe of Philadelphia, Inc.	Stock	Pennsylvania				
122. Jan. 3—Quick Coffee Corporation of Western Pa.	Stock	Pennsylvania				
123. Jan. 3—Victor Vending, Inc.	Stock	Pennsylvania				
124. Jan. 3—The Vendomat Corp.	Stock	Maryland				
125. Jan. 3—Vendomat Corporation of America	Stock	Maryland				
126. Jan. 3—Vendomat, Inc.	Stock	Maryland				
127. Jan. 15—Paden Vending Co.	Asset	Proprietorship	30,000	120,000	Indiana	Elkart, St. Joseph.
128. Jan. 28—Pope Vending Co.	Asset	Proprietorship	1,560	(NA)	Alabama	Madison.

See footnotes at end of table.

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APPENDIX A—Continued

Acquired company name	Type of acquisition	State of incorporation or type of business	Approximate purchase price	Approximate sales for year prior to acquisition	Primary—Sales area	
					State	Counties
1962						
129. Jan. 31—Cigarette Packs, Inc.	Asset	Georgia	\$110,500	\$400,000	Georgia	Fulton, DeKalb, Cobb, Gwinnett, Douglas, and Forsyth
130. Feb. 1—Cal-Vonco	Asset	Proprietorship	6,300	(NA)	California	Los Angeles
131. Feb. 1—World Wide Vending Corporation	Asset	Georgia	500,000	324,000	Georgia	Fulton, Coweta, Clayton, DeKalb
132. Feb. 15—Wilburn E. Sanders, et al.	Asset	Partnership	5,200	(NA)	California	Los Angeles
133. Feb. 23—Four "B" Vending Service	Asset	Partnership	17,000	(NA)	Georgia	Cobb, Fulton, Douglas
134. Feb. 27—U.S. Automatic Merchandising Co.	Asset	California	64,900	(NA)	California	Los Angeles
135. Apr. 2—Refreshment Vending Division of the Coca Cola Bottling Company of Los Angeles	Asset	California	176,000	443,000	California	Los Angeles, Orange, San Bernardino
136. Apr. 16—Oglethorpe Vending Co., Inc.	Asset	Georgia	150,000	(NA)	Georgia	Chatham, Bryan, Edgingham
137. Aug. 15—Kwik Kafe of Southern Tier, Inc.	Stock	New York	634,500	(NA)	New York	Broome, Chenango, Tioga
138. Aug. 16—Central Vending Company	Asset	Partnership	250,000	971,000	Michigan	Wayne, Oakland, Macomb
139. Sept. 28—Coffee Time, Inc.	Asset	Missouri	450,000	(NA)	Missouri	St. Louis City and St. Louis County
140. Sept. 28—Commodities, Inc.	Asset	Tennessee	173,000	(NA)	Tennessee	Shelby
141. Sept. 28—Quality Vending Service, Inc.	Asset	Tennessee	43,380	(NA)	Tennessee	Shelby
1963						
142. Apr. 22—Quick Snack Company, Inc.	Asset	New York	630,000	(NA)	New York	New York City
143. Apr. 24—Montgomery Automat Co., Inc.	Asset	Alabama	215,400	(NA)	Alabama	Montgomery
144. Apr. 24—Franco Vending Co., Inc.	Asset	Alabama	118,000	(NA)	Alabama	Montgomery
145. Apr. 24—Cohen Amusement Company	Asset	Partnership		(NA)	Alabama	Montgomery

¹ Sales for 10-month period ending 3-31-60.

² Sales for 7 months ending 11-30-60.

³ Sales for 11 months in year 1960.

⁴ Sales for 6 months ending January 31, 1962.

* NA—means not available.

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The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of Section 7 of the Clayton Act, as amended, and with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Automatic Retailers of America, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its corporate office located at Lombard at 25th Street, in the city of Philadelphia, State of Pennsylvania.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I

It is ordered. That respondent, Automatic Retailers of America, Inc., a corporation, through its officers, directors, agents, representatives and employees, within twelve (12) months from the date of service of this Order, shall divest itself absolutely, in good faith and to a purchaser or purchasers approved by the Federal Trade Commission, of all stock or assets, properties, rights and privileges, tangible or intangible, including, but not limited to, all contract and location rights, vending machines, vending routes, inventories, trade names and trade-marks of respondent's Spencer Vending Division d/b/a Spencer Vending Co., Inc., Rochester, New York, and Fox Cigarette Service Company, Chicago, Illinois, including all their

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location rights as of the date of service of this order: *Provided, however,* That if said location rights to be divested shall have been responsible for less than \$400,000 in vended sales with respect to Spencer Vending Co., Inc., and less than \$1,750,000 in vended sales with respect to Fox Cigarette Service Company, in the twelve (12) calendar months next preceding divestiture, additional location rights in Rochester, New York Standard Metropolitan Statistical Area (SMSA) and Chicago, Illinois SMSA respectively, shall be divested with volume sufficient to make the total divested volume equal to the figures specified in this paragraph.

II

It is further ordered, That respondent, through its officers, directors, agents, representatives and employees, within twelve (12) months from the date of service of this Order, shall divest itself absolutely, in good faith, to a purchaser or purchasers approved by the Federal Trade Commission of (a) two or more vending routes in the State of Hawaii, having aggregate sales of vendible products in the twelve (12) calendar months next preceding divestiture of not less than \$1,000,000, and (b) one or more vending routes in each of the following Standard Metropolitan Statistical Areas (SMSA), as defined by the Bureau of the Budget, Executive Office of the President, having aggregate sales of vendible products in such area in the twelve (12) calendar months next preceding divestiture in an amount not less than that specified opposite the name of such area:

Area:	Aggregate amount
(1) Rochester, New York SMSA-----	\$ 300,000
(2) Chicago, Illinois SMSA -----	1,750,000
(3) Dayton, Ohio SMSA -----	500,000
(4) Detroit, Michigan SMSA -----	1,500,000
(5) San Diego, California SMSA -----	450,000

A vending route shall include the assets, properties, rights and privileges, tangible or intangible, and location rights required by the purchaser to operate said route.

III

It is further ordered, That by such divestiture none of the stocks, assets, vending routes, location rights or other privileges, tangible or intangible, shall be sold or transferred, directly or indirectly, to any person who is at the time of the divestiture an officer, director, employee, or agent of, or under the control or direction of, respondent or any of respondent's subsidiaries or affiliated corporations, or owns or controls more than one (1) percent of the outstanding shares of stock

of respondent, nor to anyone who is not approved as a purchaser in advance by the Federal Trade Commission.

IV

It is further ordered, That if respondent divests itself of the stock, assets, properties, vending routes, location rights and privileges, described in Paragraphs I and II of this Order, by transferring them to a new corporation or corporations, the stocks of which are wholly owned by Automatic Retailers of America, Inc., and if respondent then distributes all of the stocks in said wholly-owned corporations to the stockholders of Automatic Retailers of America, Inc., in proportion to their holding of Automatic Retailers of America, Inc. stock, then Paragraph III of this Order shall be inapplicable, and the following Paragraphs V and VI shall take force and effect in its stead.

V

No person who is an officer, director, or executive employee of Automatic Retailers of America, Inc., or who owns or controls, directly or indirectly, more than one (1) percent of the stock of Automatic Retailers of America, Inc., shall be an officer, director or executive employee of any of the new corporations described in Paragraph IV, or shall own or control, directly or indirectly, any of the stocks of said new corporations.

VI

Any person who must sell or dispose of a stock interest in Automatic Retailers of America, Inc., or in the new corporations referred to in Paragraph V of this order in order to comply with said Paragraph V may do so within six (6) months and twelve (12) months, respectively, after the date on which the divestiture provided in Paragraph IV of this Order becomes effective.

VII

As used in this Order, the word "persons" shall include all members of the immediate family of the individual specified and shall include corporations, partnerships and associations and other legal entities as well as natural persons.

VIII

It is further ordered, That as long as a divested location is served by the purchaser which was approved by the Commission and which purchased from respondent pursuant to said approval, but in no event

longer than a period of three (3) years from the date of divestiture, respondent shall cease and desist from soliciting and acquiring, directly or indirectly, any of the location rights divested to such purchaser pursuant to this Order.

IX

It is further ordered, That, for a period of three (3) years from the date of service of this Order, respondent shall cease and desist from acquiring, directly or indirectly, through subsidiaries, or in any other manner, the assets, stocks, share capital, or any other interest, in any organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in the following Standard Metropolitan Statistical Areas (SMSA), except with the approval of the Federal Trade Commission, upon written application and proper showing in support thereof by respondent:

Baltimore, Md. SMSA; Birmingham, Ala. SMSA; Chicago, Ill. SMSA; Dayton, Ohio SMSA; Detroit, Mich. SMSA; Fresno, Cal. SMSA; Honolulu, Hawaii SMSA; Huntsville, Ala. SMSA; Indianapolis, Ind. SMSA; Las Vegas, Nev. SMSA; Rochester, N.Y. SMSA; San Diego, Cal. SMSA; and Tulsa, Okla. SMSA.

X

It is further ordered, That, for a period of three (3) years from the date of service of this Order, respondent shall cease and desist from acquiring, directly or indirectly, through subsidiaries, or in any other manner, the assets, stocks, share capital, or any other interest, in any organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in any Standard Metropolitan Statistical Area (SMSA) or county not included in any SMSA, other than the areas designated in Paragraph IX hereof, in which respondent had \$300,000 or more in sales of vendible products by machines during respondent's fiscal year next preceding the first acquisition in each area after the date of service of this Order, except with the approval of the Federal Trade Commission upon written application and proper showing by respondent: provided, however, that nothing contained in this paragraph shall be construed to prohibit respondent from acquiring the assets, stocks, share capital, or other interest in any organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in any said area where the aggregate sales of vendible products by machines (based on volume

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in the twelve (12) calendar months next preceding acquisition) obtained by it by acquisition in any said area after the date of service of this Order does not exceed the maximum provided in the following schedule:

Population (000)		3-year ceiling (Annual volume) (000)
Exceeding	Not exceeding	
0	250	\$165
250	375	245
375	500	325
500	750	350
750	1,000	375
1,000	1,250	400
1,250	1,500	500
1,500	1,750	575
1,750	2,000	650
2,000	-----	750

Respondent shall report each such acquisition to the Federal Trade Commission within thirty (30) days of its consummation with a satisfactory showing that the reported acquisition complies with the requirements of this paragraph.

XI

It is further ordered, That, for a period of three (3) years from the date of service of this order, respondent shall forthwith cease and desist from acquiring, directly or indirectly, through subsidiaries, or in any other manner, the assets, stocks, share capital, or any other interest, in any organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in any Standard Metropolitan Statistical Area (SMSA) or county not included in any SMSA where respondent had sales of vendible products by machines of less than \$300,000 during respondent's fiscal year next preceding the first acquisition in each area after the date of service of this Order except with the approval of the Federal Trade Commission upon written application and proper showing by respondent: provided, however, that nothing contained in this paragraph shall be construed to prohibit respondent from acquiring the assets, stocks, share capital, or any other interest, in any other organization, corporate or otherwise, which operates a vending business (as defined in the complaint) in any said area where the aggregate sales of vendible products by machines (based on volume in the twelve (12) calendar months next preceding acquisition) obtained by it by acquisition in any said area after the date of service of this Order does not exceed the maximum provided in the following schedule:

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Population (000)		3-year ceiling (Annual volume) (000)
Exceeding	Not exceeding	
0	200	\$200
200	300	325
300	400	455
400	500	585
500	600	715
600	700	845
700	800	975
800	900	1,105
900	1,000	1,235
1,000	1,100	1,365
1,100	1,200	1,495
1,200	1,300	1,625
1,300	1,400	1,755
1,400	1,500	1,885
1,500		2,000

Respondent shall report each such acquisition to the Federal Trade Commission within thirty (30) days of its consummation with a satisfactory showing that the reported acquisition complies with the requirements of this paragraph.

XII

Nothing contained in this Order shall be construed to prohibit respondent: (1) From the purchase of new or used vending equipment; (2) From purchasing vending routes in any Standard Metropolitan Statistical Area (SMSA) or county not included in any SMSA where the aggregate sales of vendible products by machines of all such routes purchased pursuant to this paragraph (based on volume in the twelve (12) calendar months next preceding acquisition) does not exceed \$75,000 in any such area in the first year after the date of service of this Order, a cumulative total of \$150,000 in any such area by the end of the second year, or a cumulative total of \$225,000 in any such area by the end of the third year, provided, however, that no single route purchase shall involve more than \$75,000 in annual sales of vendible products by machines; (These shall not be considered purchases of vending businesses under the terms of paragraphs IX, X and XI hereof and shall not be included in the three-year ceilings specified in Paragraphs X and XI). (3) From purchasing vending machines, fixtures, equipment and other accessories used and useful in the vending business from any vending business in any area, which, as a result of *bona fide* competitive bids or proposals, has been replaced as a vendor by respondent: *Provided, however*, That such purchase by the successful bidder or proposer is made a condition of acceptance of the bids or proposals by the location owner, and such purchase by respondent is limited to the vending machines, fixtures, equipment and other accessories at the said location at the date of take-over by respondent.

Respondent shall report each purchase under (2) and (3) of this paragraph to the Federal Trade Commission within thirty (30) days of its consummation with a satisfactory showing that the reported purchase complies with the requirements of this paragraph.

XIII

It is further ordered, That within sixty (60) days from the date of service of this Order respondent shall submit to the Commission a description of stock, vending routes or other assets including the composition of each vending route it proposes to divest in accordance with Paragraphs I and II of this Order, with the reasons for grouping or organizing the locations involved into each vending route. Said lists shall be accompanied by a statement by the corporate officer signing such submission that at the time of such submission neither he nor any other officer or executive employee of respondent whose duties include responsibility for service or maintenance of said locations has any knowledge or information that loss through renegotiation or otherwise of any location or location rights proposed to be divested is imminent or probable in the near future, that respondent is serving the listed locations subject to customary arrangements and that in good faith respondent will exert its best efforts to persuade the location owners to accept the approved purchaser(s) of the divested locations as successor(s) at said locations. "Executive employees" shall consist of group vice presidents, area vice presidents, regional vice presidents, regional sales managers and divisional managers.

Upon the approval by the Commission of the composition of such vending routes, the loss of any location included therein shall be considered as pro tanto divestiture by respondent required by this Order, provided, however, that respondent shall report such loss to the Commission within twenty (20) days of such occurrence with a statement that respondent has exercised customary due care in serving such locations and has refrained from doing any act which caused such loss. Respondent shall periodically, every sixty (60) days thereafter until divestiture is fully effected, submit to the Commission a written and detailed report of the progress in carrying out the provisions of this Order.

