

It is further ordered, That 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.

It is further ordered, That the respondent corporations shall forthwith distribute a copy of this order to each of their operating divisions.

IN THE MATTER OF
ARA SERVICES, INC.

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

Docket C-2400. Complaint, May 9, 1973—Decision, May 9, 1973.

Consent order requiring a Philadelphia, Pennsylvania, vending business and wholesale distributor of periodicals and paperback books, among other things to divest the stocks and assets in various areas throughout the United States. Respondent is further prohibited from acquiring any corporate stock or assets of any firms engaged in full-line vending in any Standard Metropolitan Statistical Area [SMSA], or county not within an SMSA for a period of ten (10) years without prior Commission approval.

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 or assets of various corporations described herein, and that respondent has engaged in unfair methods of competition, acts and practices through these and various 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 purpose of this complaint, the following definitions shall apply:

a. "vending industry" — consists of the distribution and sale by outside contractors of food, beverages and tobacco products through automatic, coin-operated, merchandise vending machines;

b. "vendor"—a person, partnership or corporation engaged in the distribution and sale of products through vending machines;

c. "full-line vending" — vending which consists principally of the distribution and sale of a substantially complete line of food, beverage and tobacco products at locations which require such service. "Full-line vending" is exclusive of "street-vending." Companies which are engaged in full-line vending are known as "full-line vendors;"

d. "street-vending" — vending which consists principally of the distribution and sale of a single product or of a limited line of food, beverage and tobacco products at locations which do not require full-line service. Such locations are known as "street accounts." Companies or establishments engaged in street vending are known as "street vendors;"

e. "manual food service"—manual food service and industrial catering (either in combination with vending machines or separately) at industrial, institutional, hospital or educational facilities, or at transportation terminals. This includes manual in-plant feeding through snack bars, cafeterias and dining rooms at these locations, and mobile industrial catering, but excludes public eating places such as public restaurants, public cafeterias and fast-food service establishments open to the public.

II

ARA SERVICES, INC.

2. Respondent, ARA Services, Inc., formerly Automatic Retailers of America, Inc., is a corporation organized in February 1959, *sub nomine* Davidson Automatic Merchandising Co., Inc., and existing under the laws of the State of Delaware. Its principal office is located at Lombard at 25th Street, Philadelphia, Pennsylvania. The executive offices are located at 10889 Wilshire Boulevard, Los Angeles, California.

3. Respondent and its subsidiaries and affiliates (collectively designated hereinafter as "ARA") are engaged in the vending business, in full-line vending, and in a variety of manual food service operations, throughout the United States, and in Canada and Puerto Rico. ARA is also a major wholesale distributor in the United States of periodicals and paperback books for resale

through newsstands and other retail outlets. ARA is also engaged in supplying retailer promotional services and professional management and technical consulting services, including professional construction contract management and consulting services.

4. ARA's total revenue, net income and total assets have increased uninterruptedly in each year at least since 1962. In 1966, the year preceding the first of the acquisitions described in Paragraph 14 below, ARA's consolidated domestic sales were \$300,338,000, net income after taxes was \$7,748,500, and total assets at year end were \$128,180,500. In 1970, ARA's consolidated domestic sales were \$648,399,000, net income after taxes was \$18,610,000, and total assets at year end amounted to \$285,707,000.

5. ARA is the largest supplier of vending services in the United States, and currently conducts vending service business in all but a few of the fifty states, and in the District of Columbia. ARA's vending sales in 1966 were approximately \$164 million; in 1967, \$199 million; in 1968, \$248 million; and 1969, \$286 million. As a result, ARA is and, since August 1967, has been capable of growth within or geographic expansion into the vending industry in any section of the country without acquiring existing vending operations. During these years, ARA has increased the size and geographic scope of its vending operations largely by means of acquisitions.

6. At the time of acquiring the firms described in Paragraph 14 below, ARA was either an existing operator or one of the most likely entrants into the vending industry in the section or sections of the country in which the acquired firms each operated.

7. At least since August 1967, ARA has purchased, received and distributed a substantial amount of goods in interstate commerce, and has been and is engaged generally in interstate commerce.

III

TRADE AND COMMERCE

8. The vending industry is large and is rapidly growing. In 1967, the industry's sales were approximately \$2 billion.

9. The vending industry has been characterized by numerous acquisitions by and consolidations among vending firms. Between 1959 and 1963, in excess of 600 acquisitions of vending

firms were made by ten large United States vending firms. Since 1964, seventeen of the largest vending firms have acquired approximately 500 additional vending firms in the United States.

10. ARA acquired approximately 189 vending firms during the 1959–1963 period, and acquired approximately 140 vending firms during the 1964–1970 period.

11. Although the vending industry more than doubled in size between 1958 and 1967, the industry has undergone and is undergoing a trend toward concentration. In 1958, the industry was fragmented. By 1968, largely as a result of the acquisitions described in Paragraphs 9 and 10, three firms held approximately 30 percent of the industry's sales in the United States. ARA's 1967 share of the national sales was approximately 10 percent.

12. Full-line vendors and street vendors comprise two distinct classes of vendors. Street vendors are not equipped to serve full-line accounts and generally do not compete for all or even a portion of the business of full-line accounts.

13. The largest portion of the sales of full-line vendors is made to business and industrial accounts, which generally are regarded as "choice accounts." Such accounts generally are let on a bid bases. Among the factors which often determine which full-line vending company is to be the successful bidder on choice-account business are: the vendor's full-line vending capabilities; overall size and reputation of the vendor; inter-company contacts between high-level officials; and business reciprocity.

IV

THE ACQUISITIONS

14. Since August 31, 1967, ARA has acquired most or all of the stock or vending business assets of approximately 98 corporate and non-corporate firms described in the attached Table I, which is fully incorporated herein and made a part hereof. Table I describes each such acquisition by date of acquisition, name and location of acquired firm, locations of acquired vending machines, both generally and by standard metropolitan statistical areas (SMSA). It also indicates whether ARA was operating vending machines in any counties in which any acquired firm was operating vending machines at the time of the acquisition. Most of these firms operated full-line or

substantially full-line vending businesses at the time of the acquisition by ARA, and competed for business and industrial accounts.

15. All of the corporations and non-corporate entities designated in Paragraph 14 regularly purchased and received a substantial amount of goods in interstate commerce, and were engaged generally in interstate commerce at the time that they were acquired by ARA.

16. Many of the acquired firms designated in Paragraph 14 operated manual food services which ARA acquired at the same time as it acquired the vending operations of those firms, and which ARA continued to operate. These acquisitions of manual food service operations tended to increase ARA's power in vending.

17. The anticompetitive effects of the acquisitions made by ARA in the following areas are alleged as exemplifying the effect of a substantial lessening of competition which has occurred or which may occur in those areas in which ARA acquired the firms designated in Paragraph 14:

a. The Fort Wayne, Indiana, area, in which on January 12, 1968, ARA acquired both Kinney-Bennett-Kinsey, Inc. and Select Foods, Inc. Kinney-Bennett-Kinsey ranked first in vending sales in that area. Prior to the acquisitions, ARA was present in the market as ARA Services of Ft. Wayne, Inc. The following table describes the approximate market shares of these three firms separately and, in the row entitled "Total ARA," shows the market share of ARA resulting from the acquisitions:

Company	Full-Line Vending	
	1969 sales in thousands of dollars	Percent of market's sales, 1969
ARA Services of Ft. Wayne, Inc.	\$ 773	10.7
Kinney-Bennett- Kinsey, Inc.	3,219	44.7
Select Foods, Inc.	1,707	23.7
Total ARA	\$5,699	79.2

b. The Denver, Colorado area, in which ARA acquired both Automatic Catering, Inc. and Marbro Food Service on November 24, 1967. Prior to these acquisitions, ARA had been present in this market through bids on accounts in competition with Automatic Catering, Inc. Through these acquisitions, ARA attained a 1969 share of full-line vending sales of approximately 20.3 percent, second only to Canteen Corp., and a 1969 share of the manual food service sales of approximately 27.0 percent, second only to Saga Administrative Corp.;

c. The Houston, Texas area, in which prior to November 30, 1967, ARA had less than 1 percent of the total vending and manual food service sales. On November 30, 1967, ARA acquired Tex-O-Matic Vending, Inc., and on December 12, 1967, ARA acquired Nasa Vending, a horizontal competitor of Tex-O-Matic. Through these acquisitions, ARA became the largest vending firm in the market, with approximately 20.1 percent of full-line vending sales, and the largest manual food service firm in the market, with approximately 39.3 percent of the sales;

d. The Duluth, Minnesota area, in which, on September 27, 1967, ARA entered the market through the acquisition of Automatic Vending Service of Duluth. The acquired firm at the time of the acquisition had approximately 53 percent of full-line vending sales in Duluth. On April 18, 1969, ARA acquired Automatic Beverage Co., a horizontal competitor of Automatic Vending Service;

e. Other areas in which acquisitions by ARA have lessened or may tend to lessen competition substantially, include, among others, Omaha, Nebraska; Lincoln, Nebraska; St. Clair County, Michigan; Nashville, Tennessee; Knoxville, Tennessee; Warren, Van Buren, White, Putnam, and DeKalb Counties, Tennessee; Las Vegas, Nevada; Corpus Christi, Texas; and Allentown-Easton-Bethlehem, Pennsylvania.

V

VIOLATIONS

18. The effect of ARA's acquisitions, both individually and collectively, of the corporations and noncorporate entities designated in Paragraph 14, may be substantially to lessen competition or to tend to create a monopoly in the vending industry, in full-line vending, in street vending and in the

choice-account vending business in the United States and in various sections thereof including, but not limited to, those areas identified in Paragraph 17, in violation of Section 7 of the Clayton Act (15 U.S.C. 18) and/or Section 5 of the Federal Trade Commission Act (15 U.S.C. 45), in the following ways, among others:

a. Actual competition between ARA and each of the acquired firms has been eliminated, in each instance in which both ARA and the acquired firm operated vending machines in the same counties prior to the acquisition; and in each other instance ARA has been eliminated as a potential entrant in those sections of the country in which the challenged acquisitions occurred;

b. Actual and potential competition between and among many of the acquired firms has been eliminated, and actual and potential competition generally has been eliminated or impaired;

c. Each of the acquired firms has been eliminated as an independent competitive factor and as a viable business entity;

d. Concentration has been and will be increased substantially;

e. ARA has obtained or may obtain a decisive competitive advantage over smaller firms, to the detriment of actual and potential competition;

f. Said acquisitions may precipitate numerous other acquisitions in the vending industry, with a resultant lessening of competition;

g. ARA has induced its accounts to enter into long-term contracts which have foreclosed other vendors from effectively competing;

h. ARA has achieved a dominant position in financial resources which has enabled it to obtain a decisive advantage over smaller firms by offering large advance commissions, bonuses, loans and other inducements to actual or prospective accounts;

i. Opportunities for entry into the vending industry, particularly into full-line vending, by small entrepreneurs have been substantially lessened;

j. Said acquisitions have contributed and may contribute to the development of an industry structure conducive to non-price competition and other oligopolistic market behavior; and

k. The consuming public has been denied the full fruits of the additional competition which would have existed absent the acquisitions.

19. Respondent's acquisitions, both individually and collectively, of the corporate and non-corporate firms described in Paragraph 14 constitute an attempt to monopolize or substantially lessen competition in vending, full-line vending, street vending and choice-account vending in the various sections of the United States in which such acquisitions have occurred, including, but not limited to, those areas identified in Paragraph 17, and are unfair methods of competition and unfair acts and practices in commerce, and are in violation of Section 5 of the Federal Trade Commission Act (18 U.S.C. 45).

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Complaint

TABLE I
Vending machine locations (including locations of subsidiaries)

Date of acquisition	Name of acquired firm City and state	Full-line vending	Generally	By standard metropolitan statistical area (SMSA)	At the time of acquisition, did ARA have vending machines in any counties in which the acquired firm had vending machines?
Sept. 1, 1967	Brown Thomas Vending Co. Easton, Pa.	yes	Northampton, Co., Pa.	Allentown-Bethlehem-Easton, Pa. SMSA	yes
Sept. 12, 1967	Giant Vending Co. Long Beach, Cal.		Los Angeles, Cal.	Los Angeles, Cal. SMSA	yes
Sept. 15, 1967	The Charles Corp. Youngstown, Ohio	yes	Mahoning and Trumbull, Co., Ohio	Youngstown-Warren, Ohio SMSA	yes
Sept. 29, 1967	Automatic Vending Service of Duluth, Minn. Duluth, Minn.	yes	St. Louis Co., Minn. and Douglas Co., Wisc.	Duluth-Superior, Minn.-Wisc. SMSA	no
Oct. 27, 1967	Montgomery Chuckwagon, Inc. Brentwood, Md. Winnie's Corporation & Affiliates	yes	Washington, D.C. and Baltimore, Md.	Washington, D.C. and Baltimore, Md. SMSA	yes
Nov. 11, 1967	Del Bern, doing business as Best Cigarette Service Fresno, Cal.		Fresno Co., Cal.	Fresno, Cal. SMSA	yes

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TABLE I (Con't)
Vending machine locations (including locations of subsidiaries)

Date of acquisition	Name of acquired firm City and state	Full-line vending	Generally	By standard metropolitan statistical area (SMSA)	At the time of acquisition, did ARA have vending machines in any counties in which the acquired firm had vending machines?
Nov. 24, 1967	Automatic Catering, Inc. and Marbro Food Service, Inc. Denver, Colo.	yes	Adams, Arapahoe, Boulder, Denver and Jefferson Co., Colo.	Denver, Colo. SMSA	no
Nov. 28, 1967	Coffee Time, Inc. Detroit, Mich.	yes	Detroit, Mich. SMSA	Detroit, Mich. SMSA	yes
Nov. 30, 1967	Tex-O-Matic Vending Co., Inc. Houston, Tex.	yes	Houston, Tex., SMSA Harris Co., Tex.	Houston, Tex. SMSA	yes
Dec. 1, 1967	Middle Tennessee Vending Co., Inc. McMinnville, Tenn.	yes	Warren, Coffee, Bedford, Lincoln, Moore, Ruth- ford, DeKalb, Jackson, Cumberland, White, Put- nam, Van Buren, Smith, Cannon, Crimdy, Frank- lin, Wilson, Co., Tenn. Nuocas Co., Tex.		yes
Dec. 1, 1967	Corpus Christi Cigarette Service Inc. Corpus Christi, Tex.			Corpus Christi, Tex. SMSA	yes

Jan. 12, 1968	Kinney-Bennett-Kinsey, Inc. Ft. Wayne, Ind.	yes	Allen, Adams and DeKalb Co., Ind.	Ft. Wayne, Ind. SMSA	yes	1381
Jan. 12, 1968	Select Foods, Inc.	yes	Allen Co., Ind.			
Jan. 25, 1968	George W. Haynes Amusement Co.	yes	Murfreesboro, Tenn. (Rutherford County)	Ft. Wayne, Ind. SMSA	yes	
Jan. 30, 1968	20th Century Vending Co.	yes	Grand Rapids, Mich. area (Kent County)		yes	
Jan. 30, 1968	Kwik Kafe of Lansdale, Inc.	yes	Montgomery and Bucks, Co., Pa.	Grand Rapids, Mich. SMSA	yes	
Apr. 16, 1968	Theatre Drink Corp.	yes	Nassau and Suffolk Co. and New York City, N. Y.	Philadelphia, Pa. SMSA	yes	
Apr. 26, 1968	Oceanside, N. Y.	yes	Jefferson, Co., Ky.	New York, N. Y. SMSA	yes	
June 13, 1968	Kentucky Automatic Merchandisers, Inc. and Chuckwagons, Inc.	yes		Louisville, Ky., Ind. SMSA	yes	
June 26, 1968	Fairdale, Ky. Illinois Vending Company Chicago, Ill.	yes	Cook Co., Ill.			
June 26, 1968	Vendors Sales, Inc. and Coffee Break Corp.		Baltimore Co., Md.	Chicago, Ill. SMSA	yes	
June 26, 1968	Canteen Company of Birmingham, Inc.		Jefferson Co., Ala.	Baltimore, Md. SMSA	yes	
July 26, 1968	Birmingham, Ala.			Birmingham, Ala. SMSA	yes	
Aug. 23, 1968	Bruce Vending Co.					
Sept. 27, 1968	Detroit, Mich. Beef and Liberty, Inc. Chattanooga, Tenn. Automatic Vending Co. Visalia, Cal.	yes yes yes yes	Wayne, Oakland & McCowb, Mich. Rhea, Bledsoe, Marion and Hamilton Co., Tenn. Tulare Co., Cal.	Detroit, Mich. SMSA Chattanooga, Tenn. SMSA	yes yes yes	1391

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TABLE I (Con't)
Vending machine locations (including locations of subsidiaries)

Date of acquisition	Name of acquired firm City and state	Full-line vending	Generally	By standard metropolitan statistical area (SMSA)	At the time of acquisition, did ARA have vending machines in any counties in which the acquired firm had vending machines?
Sept. 27, 1968	Colonial Automatic Sales, Inc. Nashville, Tenn.	yes	Davidson Co., Tenn.	Nashville, Tenn. SMSA	yes
Sept. 30, 1968	Mason-Jeffries, Inc. Derby, Conn.	yes	New Haven and Fairfield Co., Conn.	New Haven, Conn. SMSA and Bridgeport, Conn. SMSA	no
Sept. 30, 1968	National Automatic Services, Inc. Stamford, Conn.	yes	Fairfield and New Haven Co., Conn., and Westchester Co. and N.Y.C., N. Y.	New Haven, Conn. SMSA and Bridgeport, Conn. SMSA and New York, N. Y. SMSA	yes
Oct. 7, 1968	Manor Vending Service, Inc., Swifton Manor, Inc. and Manor Catering Inc. of Indiana Cincinnati, Ohio	yes	Hamilton Co., Ohio	Cincinnati, Ohio SMSA	yes
Oct. 16, 1968	Silco Automatic Vending Co. North Bergen, N. J.		Hudson, Bergen, Passaic, Morris, Middlesex, Union and Essex Co., N. J.; Richmond, Erie and	Newark, N. J. SMSA Patterson-Clifton-Passaic, N. J. SMSA Jersey City, N. J. SMSA	yes

Oct. 18, 1968	Reinhardt Vending Co., Inc. Reinhardt Catering Co., Inc. Medina, Ohio	yes	Niagara Co., N. Y.; Berks and Lehigh Co., Pa.; and San Francisco, Marin, San Bernardino, Orange Riverside and Los Angeles Co., Cal.	Buffalo, N. Y. SMSA Reading, Pa. SMSA Allentown-Bethlehem- Easton, Pa. SMSA San Francisco, Cal. SMSA San Bernardino, Cal. SMSA Anaheim-Santa Ana-Garden Grove, Cal. SMSA Los Angeles, Cal. SMSA Akron, Ohio SMSA Canton, Ohio SMSA Cleveland, Ohio SMSA	no
Oct. 23, 1968	Automatic Retail Vendors of New England, Inc. Canton, Mass.	yes	Norfolk Co., Mass.		no
Nov. 15, 1968	Pacific Vending Service, Inc. Modesto, Cal.				
Dec. 2, 1968	Blue Water Vending Co. Port Huron, Mich.	yes	Various counties through- out the states of Cal., Ore., Wash., Nev., Ariz., and Ida. Port Huron, Mich., Metropolitan area, St. Clair and Macomb, Samilar, Lapeer Counties Harris Co., Tex.	undisclosed	yes
Dec. 12, 1968	National Vending Service Houston, Tex.				
Jan. 27, 1969	Paramount Automatic Industries Corp. Paramount Juke Box Corp. Braddock Automatic Music Corp. Alfred Minaci, Inc.		New York, N. Y.	Houston, Tex. SMSA New York, N. Y. SMSA	yes yes

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TABLE I (Con't)
Vending machine locations (including locations of subsidiaries)

Date of acquisition	Name of acquired firm City and state	Full-line vending	Generally	By standard metropolitan statistical area (SMSA)	At the time of acquisition, did ARA have vending machines in any counties in which the acquired firm had vending machines?
Jan. 24, 1969	Paramount Cigarette Corp. Rada Cigarette Corp. New York Cigarette Corp. Paramount Canteen Corp. 421 Bruckner Realty Corp., and Dormal Factors, Inc. New York, N. Y. Lunch Time of Saginaw, Inc.	yes	Saginaw Co., Mich.	Saginaw, Mich. SMSA	no
Mar. 29, 1969	Saginaw, Mich. Altavista Vending Service, Inc.	yes	Altavista Co., Va.		no
Mar. 31, 1969	Altavista, Va. Super Sonic Sound Bellflower, Cal.		Los Angeles and Orange Co., Cal.	Los Angeles SMSA and Anaheim-Santa Ana-Garden Grove, Cal. SMSA	yes
Apr. 18, 1969	Automatic Beverage Co., a division of Auto Vend, Inc.	yes	Duluth, Minn. and Superior, Wisc.	Duluth-Superior, Minn.-Wisc. SMSA	yes

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May 9, 1969	Duluth, Minn. Seaway Sales Co. Kwik Kafeterias, Inc. Broadview, Ill.	yes	Chicago and Northern Ill.; Union and De Kalb Co., Ill.	Chicago, Ill. SMSA	yes
May 29, 1969	Standard Vending Corp. Teaneck, N.J.		Bergon County, N. J.	Undisclosed	
June 6, 1969	Clark Vending Service (Denny's Restaurants) Las Vegas, Nev.		Clark Co., Nev.	Las Vegas, Nev. SMSA	yes
June 26, 1969	Vending Unlimited, Inc. and Affiliates Miami, Fla.		Dade, Broward and Palm Beach Co., Fla.	Miami, Fla. SMSA Ft. Lauderdale-Hollywood, Fla. SMSA	no
June 26, 1969	Industrial Vending Machine Company East Lansing, Mich.		East Lansing metropolitan area	West Palm Beach, Fla. SMSA Lansing, Mich. SMSA	no
June 27, 1969	Kwik Coffee Break, Inc. Louisville, Ky.	yes	Louisville, Ky. SMSA	Louisville, Ky. SMSA	yes
Aug. 14, 1969	Sale by Michael & Beatrice Turczyn of Assets Allentown, Pa.		Allentown, Pa.	Allentown-Bethlehem- Easton, Pa. SMSA	
Oct. 31, 1969	Allegheny Cigarette Service Co. Monroeville, Pa.	yes	Allegheny, Armstrong, Beaver, Fayette, Greene, Washington and West- moreland Co., Pa. Orange, Los Angeles, Co., Cal.	Pittsburgh, Pa. SMSA	yes
Oct. 31, 1969	Coast Vending Corporation Los Angeles, Calif.			Los Angeles, Cal. SMSA	yes
Nov. 10, 1969	Culp Distributing Co., Inc. and B & M Music and Vending, Inc. Oklahoma City, Okla.		State of Oklahoma and Cleveland, Ohio	Cleveland, Ohio SMSA	yes

TABLE I (Cont'd)
Vending machine locations (including locations of subsidiaries)

Date of acquisition	Name of acquired firm City and state	Full-line vending	Generally	By standard metropolitan statistical area (SMSA)	At the time of acquisition, did ARA have vending machines in any counties in which the acquired firm had vending machines?	Complaint	82 F.T.C.
Dec. 5, 1969	Valley Vending, Inc. and Gordon's Automatic Vending, Inc. Maryville, Tenn.	yes	Knox, Blount, McMinn, Meigs, Monroe, Polk and Loudon Co., Tenn.	Knoxville, Tenn. SMSA	yes		
Dec. 31, 1969	Hunsicker Co., Inc. Allentown, Pa.			Allentown-Bethlehem-Easton, Pa. SMSA	yes		
Jan. 23, 1970	Nelson Vending Sales, Inc. and Nelson Equipment Corp. Menasha, Wisc.	yes	Winnebago and Outagamie Co., Wisc.		no		
Jan. 23, 1970	W. W. & G. Vending, Inc. Las Vegas, Nev.	yes	Clark Co., Nev.	Las Vegas, Nev. SMSA	yes		
June 10, 1970	New York Cigarette Service Bronx, N. Y.		New York, N. Y.	New York, N. Y. SMSA	yes		
June 30, 1970	Midwest Vending Co. Columbus, Ohio	yes	Franklin Co., Ohio	Columbus, Ohio SMSA	yes		
July 7, 1970	County Enterprises, Inc. Bayside, Long Island, N. Y.		Metropolitan, New York	New York, N. Y. SMSA			

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July 30, 1970	W. J. Smith Co., Inc. Catasaqua, Pa.	Lehigh, Bucks, North- hampton, Monroe, Berks, Carbon, Schuylkill, Pa. Niagara, Erie, Counties, N. Y.	Allentown-Bethlehem- Reading SMSA	yes
Aug. 6, 1970	Joseph F. Lewis Distributing Co., Inc. Tonawanda, N. Y.		Buffalo, N. Y. SMSA	yes
Oct. 2, 1970	Coastal Vendors, Inc. Corpus Christi, Tex.	yes	Corpus Christi and Beeville, Tex. and Nueces and San Patricio Co., Tex.	yes
Oct. 30, 1970	Clark Vending Company Las Vegas, Nev.		Las Vegas, Nev. SMSA	yes
Dec. 15, 1970	Charm Tobacco Co., Inc. Howard Beach, N. Y.		New York, N. Y. SMSA	yes
Dec. 16, 1970	Automatic Merchandising Co. Lincoln, Nebr.	yes	Lincoln, Nebr. SMSA	no
Dec. 16, 1970	Coffee Time, Inc. Omaha, Nebr.	yes	Lincoln, Nebr. SMSA and Omaha, Nebr. SMSA	yes
Dec. 30, 1970	A. V. Vending Co. San Francisco, Calif.		Undisclosed	yes
Jan. 19, 1971	C. E. Peterson, Municipal Airport Waterloo, Iowa	N.A.*	N.A.	N.A.
Feb. 19, 1971	Airport Services, Inc. Green Bay, Wisconsin	N.A.*	N.A.	N.A.
March 8, 1971	Servomation Mathias Vend, Inc. Baltimore, Md.	N.A.*	N.A.	N.A.

* Not yet available.

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April 2, 1971	Florida Music Company West Palm Beach, Fla.	N.A.*	N.A.	N.A.	N.A.
April 29, 1971	Vernon Lignon	N.A.*	N.A.	N.A.	N.A.
May 5, 1971	D & B Sales, Inc. Tustin, Calif.	N.A.*	N.A.	N.A.	N.A.
August 2, 1971	Kay's Music Service Co., Inc. Vandergrift, Pa.	N.A.*	N.A.	N.A.	N.A.
August 30, 1971	AGE Food Services, Inc. Detroit, Mich.	N.A.*	N.A.	N.A.	N.A.
Sept. 3, 1971	Wilson Vend-All Company Elyria, Ohio	N.A.*	N.A.	N.A.	N.A.
Sept. 22, 1971	Virginia Sky-Line Company, Inc. Richmond, Va.	N.A.*	N.A.	N.A.	N.A.
Oct. 8, 1971	American Music, Inc. West Palm Beach, Fla.	N.A.*	N.A.	N.A.	N.A.
Oct. 9, 1971	C & M Catering, Inc. Wickliffe, Ohio	N.A.*	N.A.	N.A.	N.A.
Jan. 7, 1972	Berlo Vending Company Philadelphia, Pa.	N.A.*	N.A.	N.A.	N.A.
Jan. 6, 1972	Old Mill Coffee of California, Inc. San Leandro, Calif.	N.A.*	N.A.	N.A.	N.A.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereto with violation of Section 7 of the Clayton Act, as amended, and Section 5 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 the 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 alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having considered the agreement and having provisionally accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent ARA Services, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware. Its principal office is located at Lombard at 25th Street, Philadelphia, Pennsylvania. The executive offices are located at 10889 Wilshire Boulevard, Los Angeles, California.

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

(a) *It is ordered*, That respondent, ARA Services, Inc., (hereinafter "ARA" or respondent), a corporation, and its successors and assigns, shall divest the stocks, assets, properties, rights, privileges and interests of whatever nature, tangible or intangible, necessary to support divestitures of the following vending sales volume in the market areas specified below:

Allentown, Pennsylvania	\$1,990,000
Knoxville, Tennessee	590,000
Fort Wayne, Indiana	2,000,000
Omaha/Lincoln, Nebraska	1,500,000
Houston, Texas	750,000
Hudson, Bergen, Passaic, Morris, Monmouth, Middlesex, Somerset, Union, Essex Counties, New Jersey/Richmond County, New York	2,000,000
Indianapolis, Indiana	481,000
Pittsburgh, Pennsylvania	964,000

(b) ARA shall further divest all stocks, assets, properties, rights, privileges and interests of whatever nature, tangible and intangible, necessary to support divestitures of all of its vending sales volume in the following market areas:

Corpus Christi, Texas
Duluth, Minnesota
St. Clair County, Michigan
Las Vegas, Nevada
Louisville, Kentucky

(c) ARA shall further divest all stocks, assets, properties, rights, privileges and interests of whatever nature, tangible and intangible, necessary to support divestiture of all of its route vending sales volume in the following market area:

Lorain/Elyria, Ohio

Each divestiture shall be made up of a viable vending business. Each divestiture shall be absolute but, if the acquirer requests, ARA may, subject to the approval of The Federal Trade Commission as provided in the next paragraph, finance the purchase, or lease rather than sell equipment to the acquirer. In

the event of a foreclosure or repossession pursuant to any leasing or financing agreement, ARA shall redinvest the repossessed vending business and equipment within twelve (12) months of the repossession. With respect to Las Vegas, Nevada, divestitures shall be made to a minimum of two separate acquirers.

With respect to the divestitures specified in part (a) of this paragraph, respondent shall, within sixty (60) days of the service of this order, submit to the Commission a list of the vending operations to be divested in compliance with part (a), including a list of customer locations and vending sales volume. Losses thereafter of vending sales volume in such accounts shall be deemed to constitute divestiture, provided that respondent has exercised customary due care in servicing such locations, has refrained from doing any act which caused such loss, and, has at the time of submission, no knowledge that loss of the accounts to be divested is imminent or probable in the near future. Divestiture shall be made of any gains of vending sales volume in said accounts. Any claim of loss shall be supported by a verified statement of a certified public accountant following audit.

All divestitures specified in part (a) of this paragraph shall be submitted for approval to the Commission by June 30, 1974; all divestitures shall be submitted to the Commission for approval on or before June 30, 1975; and each divestiture shall be consummated within sixty (60) days after final Commission approval of divestiture. After each divestiture, respondent shall forthwith report to the Commission the vending sales volume and customer locations divested.

II

It is further ordered, That no divestiture required by Paragraph I of this order shall be effected directly or indirectly to any person who is at the time of divestiture an officer, director, employee or agent of or otherwise under the control or influence of respondent, or who owns or controls, directly or indirectly, more than one (1) percent of the outstanding capital stock of respondent.

III

It is further ordered, That for a period of three (3) years from the date of each divestiture respondent shall not solicit or acquire, directly or indirectly, any of the accounts divested pursuant to this order.

IV

It is further ordered, That respondent shall not repurchase any vending operation divested by it pursuant to this order for a period of ten (10) years after the date of approval of the last divestiture required by this order.

V

It is further ordered, That for a period of ten (10) years from the date of service of this order, respondent shall, except as provided in Paragraph VIII or unless it has received prior Commission approval, cease and desist from acquiring, directly or indirectly, the assets, stock, share capital or any other interest in or of any firm or person engaged in full-line vending as defined in the accompanying complaint in any Standard Metropolitan Statistical Area (SMSA), or county not within an SMSA, in which respondent is engaged in full-line vending operations.

VI

It is further ordered, That for a period of ten (10) years from the date of service of this order, respondent shall, except as provided in Paragraph VIII or unless it has received prior Commission approval, cease and desist from acquiring, directly or indirectly, the assets, stocks, share capital or any other interest in or of any firm or person engaged in street vending as defined in the accompanying complaint in any SMSA, or county not within an SMSA, in which respondent is engaged in street vending operations.

VII

Respondent shall for a period of ten (10) years from the date of service of this order report and describe any proposed acquisition which includes vending operations, except those referred to in Paragraph VIII of the order, and give notice to the Federal Trade Commission at least thirty (30) days before consummation of such acquisition with a satisfactory showing that the reported acquisition complies with the requirements of this order. Such report shall describe separately for both respondent and the operation to be acquired the annual sales volume in full-line vending and street vending and the SMSA and counties in which such business is conducted.

VIII

Nothing contained in this order shall be construed to prohibit respondent: (1) from purchasing new or used vending equipment; (2) from purchasing vending machines, fixtures, equipment and other accessories from any vending business which, as a result of bona fide competitive bids or proposals, has been replaced as a vendor by respondent; (3) from purchasing isolated vending routes or parts thereof as follows:

(a) Full-line vending routes or parts thereof with sales volume which individually does not exceed a maximum of \$165,000 and cumulatively does not exceed a maximum of \$330,000 in any SMSA, or county not within an SMSA, in which respondent is engaged in full-line vending during the ten (10) year term of the order. This subparagraph (a) shall be inapplicable, for a period of five (5) years from the date of this order, in the divestiture areas listed in Paragraph I.

(b) Street vending routes or parts thereof in any SMSA, or county not within an SMSA, in which respondent is engaged in street vending not exceeding the following schedule:

Population	Maximum Cumulative Allowable in 10 years	Maximum Sales Volume of Any One Acquisition
0 to 300,000	\$150,000	\$100,000
300,001 to 800,000	300,000	150,000

No more than one such acquisition in excess of \$75,000 sales volume may be made within any SMSA, or county not within an SMSA, in which respondent is engaged in street vending in any twelve (12) month period. The dollar sales volume figures for street acquisitions in this paragraph are exclusive of federal cigarette excise taxes and all state and local cigarette and sales taxes and are adjustable upward or downward according to the Consumer Price Index published by the Bureau of Labor Statistics.

In any SMSA, or county not within an SMSA, in which respondent is engaged in street vending where the population exceeds 800,000 respondent shall be limited to single street route acquisitions, defined for purposes of this order as the amount of business serviced by a single route man, or part time equivalent.

This subparagraph (b) shall be inapplicable, for a period of five (5) years from the date of this order, in the divestiture areas listed in Paragraph I.

Respondent shall submit a written report of acquisitions covered by this paragraph to the Federal Trade Commission annually from the date of service of this order for the ten (10) year period of the order describing each route acquisition consummated during the period and showing that the reported acquisition complies with the requirements of this paragraph. Each such report shall be supported by a verified statement by a certified public accountant following audit.

IX

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change which may affect compliance obligations arising out of this order, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any change in respondent, and that this order shall be binding upon any successor.

X

It is further ordered, That respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it intends to comply, is complying, or has complied with this order. All reports shall include, among other things that are from time to time required, a detailed description of the steps taken to comply with this order.

IN THE MATTER OF
HOLLOW METAL DOOR AND BUCK ASSOCIATION, INC., ET
AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION