

IN THE MATTER OF

KOREAN VIDEO STORES ASSOCIATION OF MARYLAND, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3588. Complaint, June 20, 1995--Decision, June 20, 1995

This consent order prohibits, among other things, a Maryland-based video store association and its members from entering into any agreement to raise, fix, or maintain prices in the retail video tape rental business; and requires, within 30 days, its members to display a poster announcing the settlement, in both English and Korean, in their respective stores and to publish the entire text of the poster in three Korean-language newspapers in the Washington, D.C. area.

Appearances

For the Commission: *Joseph G. Krauss.*

For the respondents: *Robert Paul, Shaw, Pittman, Potts & Trowbridge*, Washington, D.C.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission ("Commission"), having reason to believe that the Korean Video Stores Association of Maryland, Chang Hyun Cho, Bong Soo Ha, Yoo Kwan Jun, Dae Yong Kang, Yong Hoon Kang, Mi La Kim, Ki Sik Kim, Suk C. Kim, Ju Young Lee, Kyeong Hae Lee, Chang Jin Park, Mi Hwa Park, Young Min Ro, Chae Sul Song, Tae Eung Yu, and Seung Man Yun, hereinafter sometimes referred to as respondents, have violated the provision of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

I. RESPONDENTS

1. Respondent Korean Video Stores Association of Maryland is an unincorporated trade association. Its mailing address is c/o Nalee Video, 13-G Aquahart Plaza, Glen Burnie, MD.

2. Respondent Chang Hyun Cho is an individual trading and doing business as Hana Video, 220 N. Crain Highway, Glen Burnie, MD.

3. Respondent Bong Soo Ha is an individual trading and doing business as Video Town, 2092 Veirs Mill Road, Rockville, MD.

4. Respondent Yoo Kwan Jun is an individual trading and doing business as Harford Video, 8904 Harford Road, Baltimore, MD.

5. Respondent Dae Yong Kang is an individual trading and doing business as Daenamoo Video, 5722 York Road, Baltimore, MD.

6. Respondent Yong Hoon Kang is an individual trading and doing business as Lotte Gifts Store, 2201 N. Charles Street, Baltimore, MD.

7. Respondent Mi La Kim is an individual trading and doing business as Koryo Video, 10820-G Rhode Island Avenue, Beltsville, MD.

8. Respondent Ki Sik Kim is an individual trading and doing business as Video Center, 29 W. North Avenue, Baltimore, MD.

9. Respondent Suk C. Kim is an individual trading and doing business as Nalee Video, 13-G Aquahart Plaza, Glen Burnie, Md.

10. Respondent Ju Young Lee is an individual trading and doing business as Young Video, 11790 Parklawn Drive, Rockville, MD.

11. Respondent Kyeong Hae Lee is an individual trading and doing business as Korean Corner, 12207 Veirs Mill Road, Wheaton, MD.

12. Respondent Chang Jin Park is an individual trading and doing business as Samsung Video, 3425 N. Chatham Road #108, Ellicott City, MD.

13. Respondent Mi Hwa Park is an individual trading and doing business as Sarangbang Video, 2430 York Road, Timonium, MD.

14. Respondent Young Min Ro is an individual trading and doing business as Hanyang Video, c/o Lucky World (Laurel), 14222 Cherry Lane Ct., Laurel, MD.

15. Respondent Chae Sul Song is an individual trading and doing business as Lucky Gifts, 1690-D Annapolis Road, Odenton, MD.

16. Respondent Tae Eung Yu is an individual trading and doing business as Hyundai Video, 10539 Greenbelt Road, Seabrook, MD.

17. Respondent Seung Man Yun is an individual trading and doing business as Gaymi Video, 801 S. Crain Highway, Glen Burnie, MD.

II. JURISDICTION

18. Respondents are now, and for some time have been, engaged in the purchasing, offering for rental, and rental of video tapes to retail customers.

19. In the course and conduct of their business, and at all times mentioned herein, respondents have been, and are now, in substantial competition in or affecting commerce with persons engaged in the retail video tape rental business. The retail video tape rental business means the business of renting video tapes for a fee to retail customers.

20. The respondents maintain, and at all times relevant herein have maintained, a substantial course of business, including the acts and practices hereinafter set forth, which are in or affect commerce as "commerce" is defined in the Federal Trade Commission Act.

III. ACTS AND PRACTICES

21. Prior to August 1993, the individual respondents had been in substantial competition with one another in the retail video tape rental business in the Metropolitan Washington, D.C. area.

22. On or about August 22, 1993, several of the individual respondents held a meeting and discussed the retail video tape rental business, among other things, including the costs and pricing of retail video tape rentals.

23. During this meeting, those individual respondents that were present agreed to jointly increase the retail price of Korean language video tape rentals from approximately \$1.00 to \$1.50 per video tape.

24. Those individual respondents that did not attend the above-mentioned meeting learned of the price increase agreement and agreed to adopt and honor the agreement.

25. On or about August 25, 1993, in furtherance of the joint price increase agreement, the respondents announced the price increase to the general public by displaying at each individual respondents' place of business a poster setting forth the joint price increase agreement and signed in the name of the respondent Korean Video Stores Association of Maryland.

IV. EFFECTS OF THE HORIZONTAL PRICE FIXING

26. The aforesaid acts and practices of the respondents have had and are now having the effects, among others, of:

- a. Raising, fixing, stabilizing, or otherwise interfering or tampering with the retail prices of Korean language video tape rentals in the Metropolitan Washington, D.C. area; and
- b. Hampering and restricting competition in the Korean language retail video tape rental business in the Metropolitan Washington, D.C. area.

V. VIOLATION CHARGED

27. The acts and practices of the respondents described herein constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act. The acts and practices of the respondents, or the effects thereof, are continuing and will continue or recur in the absence of the relief requested.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

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

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents

have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Korean Video Stores Association of Maryland is an unincorporated trade association. Its mailing address is c/o Nalee Video, 13-G Aquahart Plaza, Glen Burnie, MD.

Respondent Chang Hyun Cho is an individual trading and doing business as Hana Video, 220 N. Crain Highway, Glen Burnie, MD.

Respondent Bong Soo Ha is an individual trading and doing business as Video Town, 2092 Veirs Mill Road, Rockville, MD.

Respondent Yu Kwan Jeon is an individual trading and doing business as Harford Video, 8904 Harford Road, Baltimore, MD.

Respondent Dae Yong Kang is an individual trading and doing business as Daenamoo Video, 5722 York Road, Baltimore, MD.

Respondent Yong Hoon Kang is an individual trading and doing business as Lotte Gifts Store, 2201 N. Charles Street, Baltimore, MD.

Respondent Mi La Kim is an individual trading and doing business as Koryo Video, 10820-G Rhode Island Avenue, Beltsville, MD.

Respondent Ki Sik Kim is an individual trading and doing business as Video Center, 29 W. North Avenue, Baltimore, MD.

Respondent Suk C. Kim is an individual trading and doing business as Nalee Video, 13-G Aquahart Plaza, Glen Burnie, MD.

Respondent Ju Young Lee is an individual trading and doing business as Young Video, 11790 Parklawn Drive, Rockville, MD.

Respondent Kyeong Hae Lee is an individual trading and doing business as Korean Corner, 12207 Veirs Mill Road, Wheaton, MD.

Respondent Chang Jin Park is an individual trading and doing business as Samsung Video, 3425 N. Chatham Road #108, Ellicott City, MD.

Respondent Mi Hwa Park is an individual trading and doing business as Sarangbang Video, 2430 York Road, Timonium, MD.

Respondent Young Min Ro is an individual trading and doing business as Hanyang Video, c/o Lucky World (Laurel), 14222 Cherry Lane Ct., Laurel, MD.

Respondent Chae Sul Song is an individual trading and doing business as Lucky Gifts, 1690-D Annapolis Road, Odenton, MD.

Respondent Tae Eung Yu is an individual trading and doing business as Hyundai Video, 10539 Greenbelt Road, Seabrook, MD.

Respondent Seung Man Yun is an individual trading and doing business as Gaymi Video, 801 S. Crain Highway, Glen Burnie, MD.

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

ORDER

I.

It is ordered, That, as used in this order, the following definitions shall apply:

(A) "*Respondent Korean Video Association*" means the Korean Video Stores Association of Maryland, its predecessors, subsidiaries, divisions, members, committees, and groups and affiliates controlled by the Korean Video Stores Association of Maryland, their directors, officers, employees, agents, and representatives, and their successors and assigns.

(B) "*Individual respondents*" means Chang Hyun Cho, individually and trading and doing business as Hana Video; Bong Soo Ha, individually and trading and doing business as Video Town; Yoo Kwan Jun, individually and trading and doing business as Harford Video; Dae Yong Kang, individually and trading and doing business as Daenamoo Video; Yong Hoon Kang, individually and trading and doing business as Lotte Gifts Store; Mi La Kim, individually and trading and doing business as Koryo Video; Ki Sik Kim, individually and trading and doing business as Video Center; Suk C. Kim, individually and trading and doing business as Nalee Video; Ju Young Lee, individually and trading and doing business as Young Video; Kyeong Hae Lee, individually and trading and doing business as Korean Corner; Chang Jin Park, individually and trading and doing business as Samsung Video; Mi Hwa Park, individually

and trading and doing business as Sarangbang Video; Young Min Ro, individually and trading and doing business as Hanyang Video; Chae Sul Song, individually and trading and doing business as Lucky Gifts; Tae Eung Yu, individually and trading and doing business as Hyundai Video; Seung Man Yun, individually and trading and doing business as Gaymi Video; and their respective successors and assigns.

(C) "*Respondents*" means the respondent Korean Video Association and the individual respondents.

(D) "*Commission*" means the Federal Trade Commission.

(E) "*Video tapes*" means pre-recorded video cassette tapes.

(F) "*Retail video tape rental business*" means the business of renting pre-recorded video cassette tapes for a fee to retail customers.

II.

It is further ordered, That respondents, directly or indirectly, or through any corporation, association, or other device, in connection with the retail video tape rental business, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, forthwith cease and desist from:

(A) Entering into, attempting to enter into, organizing, continuing, adhering to, or maintaining any combination, conspiracy, contract, agreement, understanding, plan, or program with any person in the retail video tape rental business to construct, fix, stabilize, raise, maintain, or otherwise interfere or tamper with the prices charged or other terms or conditions for retail video tape rentals;

(B) Recommending or encouraging any person in the retail video tape rental business to charge certain prices or set other terms or conditions for retail video tape rentals;

(C) For a period of three (3) years after the date this order becomes final, continuing any formal or informal meeting of the respondent Korean Video Association or of any individual respondents, after:

1. Any person makes a statement, addressed to or audible to the body of the meeting, concerning the prices of retail video tape rentals and respondents fail to declare such statement to be out of order;

2. Any person makes two such statements concerning the prices of retail video tape rentals and respondents fail to eject him or her from the meeting; or

3. Two people make such statements concerning the prices of retail video tape rentals.

Provided, however, that without regard to the obligations of respondent Korean Video Association under paragraph II. (C), if a person making a prohibited statement is not ejected, and such meeting continues, then the individual respondents shall instead leave such meeting and within thirty (30) days after such meeting shall report to the Commission the circumstances of such meeting, a description of the prohibited statements and respondents' actions in response thereto.

III.

It is further ordered, That respondent Korean Video Association, directly or indirectly, or through any corporation, association, or other device, in connection with the retail video tape rental business, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, forthwith cease and desist from:

(A) Prohibiting, regulating, or advising against any form of price competition between or among persons in the retail video tape rental business; and

(B) Inviting, coordinating, or providing a forum for any discussion or agreement between or among persons in the retail video tape rental business concerning prices charged for retail video tape rentals.

IV.

It is further ordered, That:

(A) Each individual respondent shall, within thirty (30) days after the date this order becomes final, prepare and for a period of sixty (60) days, clearly display a corrective poster at each individual respondent's place of business. Each poster shall be in both English and Korean, shall be no less than two feet by two feet in size, and

shall have the text of Appendices A and B, attached to this order, enlarged and conspicuously displayed thereon; and

(B) Respondent Korean Video Association shall, within thirty (30) days after the date this order becomes final, publish Appendix B to this order in the Metropolitan Washington, D.C. editions of the periodicals "Korea Times," "Joong Ang Ilbo," and "Chosun Ilbo."

V.

It is further ordered, That:

(A) Respondent Korean Video Association and the individual respondents shall, within ninety (90) days after the date this order becomes final, file with the Secretary of the Federal Trade Commission a verified written report setting forth in detail the manner and form in which respondents have complied and are complying with this order. Among such other information as may be required, the individual respondents' compliance reports shall contain a picture of the corrective poster as displayed and the dates such poster was displayed;

(B) Respondent Korean Video Association shall, annually for three (3) years on the anniversary of the date this order becomes final, file with the Secretary of the Federal Trade Commission a verified written report setting forth in detail the manner and form in which respondents have complied and are complying with this order; and

(C) Respondent Korean Video Association and the individual respondents shall, for a period of three (3) years after the date this order becomes final, notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in any respondent, such as dissolution, assignment, sale resulting in the emergence of a successor organization, or the creation or dissolution of subsidiaries, or any change in such respondent that may affect compliance obligations arising out of this order.

VI.

It is further ordered, That, for the purpose of determining or securing compliance with this order, respondents shall permit any duly authorized representative of the Commission:

(A) Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of a respondent relating to any matters contained in this order; and

(B) Upon five days' notice to a respondent and without restraint or interference from it, to interview officers, directors, or employees of such respondent.

VII.

It is further ordered, That this order shall terminate on June 20, 2015.

APPENDIX A

ANNOUNCEMENT

The Korean Video Stores Association of Maryland (the "Korean Video Association") and its individual members (Chang Hyun Cho, Bong Soo Ha, Yoo Kwan Jun, Dae Yong Kang, Yong Hoon Kang, Mi La Kim, Ki Sik Kim, Suk C. Kim, Ju Young Lee, Kyeong Hae Lee, Chang Jin Park, Mi Hwa Park, Young Min Ro, Chae Sul Song, Tae Eung Yu, and Seung Man Yun) have entered into a consent agreement with the Federal Trade Commission ("Commission") to settle the Commission's charges that the Korean Video Association and its individual members named above violated Section 5 of the Federal Trade Commission Act when they jointly decided to increase prices for retail video tape rentals in 1993. The U.S. antitrust laws, including the Sherman Act and the Federal Trade Commission Act, prohibit competitors in the same line of business from jointly setting prices they charge to their customers.

Pursuant to this consent agreement, the Commission has issued an Order that prohibits the Korean Video Association and its individual members from jointly deciding prices that they charge to their customers in the retail video tape rental business. The Order also prohibits the Korean Video Association and its individual members from taking any other actions that may harm price competition.

The Korean Video Association and its individual members also understand and agree to honor that each person in the retail video tape rental business must unilaterally and independently determine its own prices.

Korean Video Stores Association of Maryland

Chang Hyun Cho Hana Video	Bong Soo Ha Video Town	Yoo Kwan Jun Harford Video
Dae Yong Kang Daenamoo Video	Yong Hoon Kang Lotte Gifts Store	Mi La Kim Koryo Video
Ki Sik Kim Video Center	Suk C. Kim Nalee Video	Ju Young Lee YoungVideo
Kyeong Hae Lee Korean Corner	Chang Jin Park Samsung Video	Mi Hwa Park Sarangbang Video
Young Min Ro Hanyang Video	Chae Sul Song Lucky Gifts	Tae Eung Yu Hyundai Video
Seung Man Yun Gaymi Video		

APPENDIX B

(Appendix B is the Korean version of Appendix A.)

Appendix B

공고문

미 연방 공정거래 위원회 (U.S. Federal Trade Commission) 가 본 메릴랜드 한인 비디오 협회와 회원들 (밑에 적혀있는 회원들)의 활동중의 일부가 미 연방 공정거래 위원회법 (Federal Trade Commission Act)에 저촉이 된다고 사료하여 민사소송을 제기 하였습니다. 구체적으로, 1993년에 본 협회가 협회 회원들에게 일괄적으로 비디오 테이프를 빌리는 소매 가격을 인상, 책정한 점이 미 연방 공정거래 위원회법의 제 5 조항 (Section 5 of the Federal Trade Commission Act)에 위배되는 행동이라는 지적을 받았습니다. 미 독점 금지법 (Sherman Act) 그리고 연방 공정거래 위원회법)은 같은 종류의 사업을 하는 경쟁자들이 함께 판매 가격을 책정, 인상, 또는 유지하는 것을 금지하고 있습니다.

본 협회와 각 회원들이 미 연방 공정거래 위원회 (U.S. Federal Trade Commission)와 맺은 협정에 의하여 미 연방 공정거래 위원회가 본 협회나 회원들이 비디오 테이프 빌리는 소매 가격을 함께 책정, 인상, 또는 유지하는 것을 금지 하였고, 또 본 협회나 회원들이 소매가격 경쟁을 방지하거나 왜곡하는 행동도 금지하였습니다.

본 협회와 회원들은 각 비디오 소매상들이 비디오 테이프 빌리는 가격을 독자적으로 결정해야만 된다는 것을 알고 있으며 또 존중할 것 입니다.

메릴랜드 비디오 테이프 협회

조 창현	하 봉수	전 유관
하나 비디오	비디오 타운	하포드 동양식품
강 대용	강 용훈	김 미라
대나무 비디오	롯데 선물	고려 비디오
김 기식	김 숙자	이 주영
한국서적 비디오	나리 비디오	롯데 수퍼 (영 비디오)
이 경혜	박 창진	박 미화
코리언 코너	삼성 비디오	사랑방 비디오
노 영민	송 계술	유 태웅
한양식품 (로컬 장터)	럭키 선물	현대식품 (한아름 마켓)
윤 승만		
개미네 집		

IN THE MATTER OF

DETROIT AUTO DEALERS ASSOCIATION, INC., ET AL.

MODIFIED FINAL ORDER IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket 9189, Final Order, Feb. 22, 1989--Modified Final Order, June 20, 1995*

This order modifies an earlier Commission order to require, for one year, that the automobile dealership and dealership owner respondents involved in the proceeding to open their showrooms for a minimum of 64 hours per week, or, at their option, to maintain minimum hours of operation of an average of ten and one half hours per day on weekdays, plus a minimum of eight hours on Saturdays. In addition, the Commission modifies Part VII.D of the final order (111 FTC 417), issued in 1989, by changing from 30 days to 60 days the time period within which the dealership association respondent must investigate and resolve allegations that association members have violated by-laws, rules, or regulations affected by the order.

ORDER

This matter has been heard by the Commission on remand from the United States Court of Appeals for the Sixth Circuit and on briefs, proposed findings of fact, affidavits and other materials filed by complaint counsel and by respondents. For the reasons stated in the accompanying opinion, the Commission has determined to modify the final order, issued on February 22, 1989, 111 FTC at 513-521, as set forth below and to issue the modified order with respect to all respondents that remain in the proceeding.

Part III of the order of February 22, 1989, is hereby deleted, and *It is hereby ordered*, That the following is substituted as new Part III:

III.

It is further ordered, That each dealership and individual respondent shall, commencing thirty (30) days after this order becomes final and continuing for a period of one (1) year, either maintain a minimum of sixty-four (64) hours of operation per week for the sale and lease of motor vehicles, or alternatively, maintain a minimum of an average of ten and a half hours of operation per day during weekdays for the sale and lease of motor vehicles, plus an