

Antitrust DO's and DON'Ts

The *Do's* and *Don'ts* for textile service companies and associates pertaining to the antitrust laws. TRSA strongly recommends that every operator and associate provide a copy of this document to employees that have any contact with customers, prospects and competitors to ensure that employees are informed that you have a zero tolerance policy regarding the violation of the antitrust laws.

Do's

We Will . . .

- Take any new account if it can be mutually profitable to the customer and our company. The prospect must have satisfactory credit.
- Seek new customers diligently, and thoroughly explain our contract arrangements to them.
- Engage only in ethical activities; therefore, we will make no false statements about competitors.
- Determine from prospects we solicit whether they have contracts with competitors. If the prospect does have a contract, we will not induce them to breach the contract.

Don'ts

We Will Not . . .

- Have an agreement of any kind — written or verbal — with a competitor to set prices or to raise or lower them.
- Give notice of any kind — written or verbal — to competitors that we plan to raise or lower prices, have already done so, or plan to maintain them.
- Circulate in any form our prices to a competitor.
- Price an inflated quotation to a competitor's account to ensure the customer stays with the competitor.
- Have an agreement with a competitor not to sell below a certain figure.
- Have an agreement with a competitor on the prices to submit on a bid.
- Have an agreement with a competitor not to submit a bid.

Don'ts

We Will Have No Agreements

Of Any Kind with a Competitor . . .

- To allocate customers.
- Not to solicit his customers.
- To divide an account.
- To owe him the equivalent of a customer we have taken.
- To provide poor service or quality to a former customer to encourage return to a competitor.
- To discourage a customer from switching accounts.
- To trade customers.
- To allocate territory or allocate locations.
- To restrict service to customers; i.e., to limit table linen only to white, provide only one type of garment or delivery schedule by agreement with a competitor.
- We will have no agreements of any kind with a competitor to boycott a supplier to prevent direct selling to our customers or prospects.
- We will have no agreements of any kind to reduce competition by making it difficult to enter the market.
- We will leave any meeting with competitors if any labor contracts, technical matters or discussions regarding allocation of customers or territory, pricing or other issues that may violate antitrust laws.

Penalties for violation of federal antitrust laws

Penalties for violation of federal antitrust laws can be extremely high; under the newly enacted Standards Development Organization Advancement Act:

- Corporate fines are increased to a maximum of \$100,000,000;
- Individuals may be fined up to \$1,000,000; and
- Individuals convicted on an antitrust violation may be guilty of a felony and may be subject to a jail sentence of up to 10 years.