

Respondent

2. Respondent Waterous Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the state of Minnesota with its principal place of business located at 300 John E Carroll Avenue East, South Saint Paul, Minnesota 55075. Waterous manufactures and sells Mid-Ship Mounted Fire Pumps in the United States. In 1993, Waterous accounted for more than 40 percent of U.S. Mid-Ship Mounted Fire Pump sales.

Jurisdiction

3. Respondent Waterous sells and ships Mid-Ship Mounted Fire Pumps from its production facility located in Minnesota to customers located throughout the United States. Respondent maintains and has maintained a substantial course of business, including the acts and practices herein alleged, which are in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

Mid-Ship Mounted Fire Pump Industry

4. The market for Mid-Ship Mounted Fire Pumps in the United States includes three principal competitors. In addition to Respondent Waterous, two other companies sell Mid-Ship Mounted Fire Pumps to OEM's in the United States, Hale Products, Inc. (sometimes referred to as "Hale Products"), and W.S. Darley & Company, Inc. (sometimes referred to as "Darley").

shipments to such OEM's.

Anticompetitive Effects

8. The acts, practices, and methods of competition of Respondent Waterous as alleged in Paragraphs 5 through 7, were and are substantially to the injury of the public in the following ways, among others:

- a. By substantially lessening competition in the sale and marketing of Mid-Ship Mounted Fire Pumps, or by excluding or tending to exclude other actual or potential pump manufacturers from selling Mid-Ship Mounted Fire Pumps to a substantial number of OEM's; and
- b. By facilitating an allocation of customers between Respondent Waterous and Hale Products.

Violation of Law

9. Therefore, the acts, practices and methods of competition of Respondent Waterous, as herein alleged, were and are all to the prejudice and injury of the public and constitute unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C.