

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Jon Leibowitz, Chairman**
 Pamela Jones Harbour
 William E. Kovacic
 J. Thomas Rosch

In the Matter of

**NATIONAL ASSOCIATION OF
MUSIC MERCHANTS, INC.**

a corporation.

Docket No. C-4255

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, 15 U.S.C. § 41 *et seq.*, and by virtue of the authority vested in it by said Act, the Federal Trade Commi

3. The acts and practices of NAMM, including the acts and practices alleged herein, are in commerce or affect commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.
4. An ongoing subject of concern in the musical instruments industry has been the increased retail price competition for musical instruments. Commencing in 1999, and continuing thereafter, numerous leading musical instrument manufacturers adopted minimum advertised price policies.
5. Between 2005 and 2007, NAMM organized various meetings and programs at which competing retailers of musical instruments were permitted and encouraged to discuss strategies for implementing minimum advertised price policies, the restriction of retail price competition, and the need for higher retail prices. Representatives of NAMM determined the scope of discussion by selecting moderators and setting the agenda for these programs. At these NAMM-sponsored events, competitors discussed the adoption, implementation, and enforcement of minimum advertised price policies; the details and workings of such policies; appropriate and optimal retail prices and margins; and other competitively sensitive issues.
6. In many instances, the exchange of information and opinion arranged by NAMM, as set forth in Paragraph 5 above, served no legitimate business purpose for NAMM or its members.
7. The exchange of information among NAMM members, as alleged herein, had the purpose, tendency, and capacity to facilitate collusion and to restrain competition unreasonably.

Violations Alleged

8. As set forth in Paragraph 5 above, NAMM arranged and encouraged the exchange among its members of competitively sensitive information, in violation of Section 5 of the FTC Act, as amended.
9. The acts and practices of Respondent, as alleged herein, constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45. Such acts and practices, or the effects thereof, will continue or recur in the absence of appropriate relief.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this eighth day of April, 2009, issues its complaint against Respondent.

By the Commission.

SEAL

Donald S. Clark
Secretary