

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK

----- X

STATE OF NEW YORK, by
ATTORNEY GENERAL ELIOT SPITZER,

STATE OF ILLINOIS, by
ATTORNEY GENERAL JAMES E. RYAN,

STATE OF ALABAMA, by
ATTORNEY GENERAL BILL PRYOR,

STATE OF ALASKA, by
ATTORNEY GENERAL BRUCE M. BOTELHO,

STATE OF ARIZONA, by
ATTORNEY GENERAL JANET NAPOLITANO,

STATE OF ARKANSAS, by
ATTORNEY GENERAL MARK PRYOR,

STATE OF CALIFORNIA, by
ATTORNEY GENERAL BILL LOCKYER,

STATE OF COLORADO, by
ATTORNEY GENERAL KEN SALAZAR,

STATE OF CONNECTICUT, by
ATTORNEY GENERAL RICHARD BLUMENTHAL,

STATE OF DELAWARE, by
ATTORNEY GENERAL M. JANE BRADY,

DISTRICT OF COLUMBIA, by
INTERIM CORPORATION COUNSEL ARABELLA
W. TEAL,

STATE OF FLORIDA, by
ATTORNEY GENERAL ROBERT A.
BUTTERWORTH,

AMENDED COMPLAINT

No. 02 Civ. 7096 (LTS)

JURY TRIAL DEMANDED

**STATE OF GEORGIA, by
ATTORNEY GENERAL THURBERT E. BAKER,**

**STATE OF HAWAII, by
ATTORNEY GENERAL EARL I. ANZAI,**

**STATE OF IDAHO, by
ATTORNEY GENERAL ALAN G. LANCE,**

**STATE OF INDIANA, by
ATTORNEY GENERAL STEVEN CARTER,**

**STATE OF IOWA, by
ATTORNEY GENERAL TOM MILLER,**

**STATE OF KANSAS, by
ATTORNEY GENERAL CARLA J. STOVALL,**

**COMMONWEALTH OF KENTUCKY, by
ATTORNEY GENERAL ALFRED B. CHANDLER III,**

**STATE OF LOUISIANA, by
ATTORNEY GENERAL RICHARD P. IEYOUB,**

**STATE OF MAINE, by
ATTORNEY GENERAL G. STEVEN ROWE,**

**STATE OF MARYLAND, by
ATTORNEY GENERAL J. JOSEPH CURRAN,**

**COMMONWEALTH OF MASSACHUSETTS, by
ATTORNEY GENERAL THOMAS F. REILLY,**

**STATE OF MICHIGAN, by
ATTORNEY GENERAL JENNIFER GRANHOLM,**

**STATE OF MISSISSIPPI, by
ATTORNEY GENERAL MIKE MOORE,**

**STATE OF MONTANA, by
ATTORNEY GENERAL MICHAEL MCGRATH,**

STATE OF NEBRASKA, by :
ATTORNEY GENERAL DON STENBERG, :
 :
STATE OF NEVADA, by :
ATTORNEY GENERAL FRANKIE SUE DEL PAPA, :
 :
STATE OF NEW HAMPSHIRE, by :
ATTORNEY GENERAL PHILIP T. MCLAUGHLIN, :
 :
STATE OF NEW JERSEY, by :
ATTORNEY GENERAL DAVID SAMSON, :
 :
STATE OF NORTH CAROLINA, by :
ATTORNEY GENERAL ROY COOPER, :
 :
STATE OF NORTH DAKOTA, by :
ATTORNEY GENERAL WAYNE STENEJHEM, :
 :
STATE OF OHIO, by :
ATTORNEY GENERAL BETTY D. MONTGOMERY, :
 :
STATE OF OKLAHOMA, by :
ATTORNEY GENERAL W. A. DREW EDMONSON, :
 :
STATE OF OREGON, by :
ATTORNEY GENERAL HARDY MYERS, :
 :
COMMONWEALTH OF PENNSYLVANIA, by :
ATTORNEY GENERAL D. MICHAEL FISHER, :
 :
COMMONWEALTH OF PUERTO RICO, by :
ATTORNEY GENERAL ANNABELLE RODRIQUEZ, :
 :
STATE OF RHODE ISLAND, by :
ATTORNEY GENERAL SHELDON WHITEHOUSE, :
 :
STATE OF SOUTH CAROLINA, by :
ATTORNEY GENERAL CHARLES M. CONDON, :
 :
STATE OF SOUTH DAKOTA, by :
ATTORNEY GENERAL MARK BARNETT, :
 :
 :

STATE OF TENNESSEE, by
ATTORNEY GENERAL PAUL G. SUMMERS,

STATE OF TEXAS, by
ATTORNEY GENERAL JOHN CORNYN,

STATE OF UTAH, by
ATTORNEY GENERAL MARK L. SHURTLEFF,

STATE OF VERMONT, by
ATTORNEY GENERAL WILLIAM H. SORRELL,

COMMONWEALTH OF VIRGINIA, by
ATTORNEY GENERAL JERRY W. KILGORE,

STATE OF WASHINGTON, by
ATTORNEY GENERAL CHRISTINE O. GREGOIRE,

STATE OF WEST VIRGINIA, by
ATTORNEY GENERAL DARRELL V. MCGRAW,

STATE OF WISCONSIN, by
ATTORNEY GENERAL JAMES E. DOYLE,

STATE OF WYOMING, by
ATTORNEY GENERAL HOKE MACMILLAN,

Plaintiffs,

v.

SALTON, INC.,

Defendant.

-----X

The Plaintiff States of NEW YORK, ILLINOIS, ALABAMA, ALASKA, ARIZONA,

ARKANSAS, CALIFORNIA, COLORADO, CONNECTICUT, DELAWARE, FLORIDA, GEORGIA, HAWAII, IDAHO, INDIANA, IOWA, KANSAS, LOUISIANA, MAINE, MARYLAND, MICHIGAN, MISSISSIPPI, MONTANA, NEBRASKA, NEVADA, NEW HAMPSHIRE, NEW JERSEY, NORTH CAROLINA, NORTH DAKOTA, OHIO, OKLAHOMA, OREGON, RHODE ISLAND, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH, VERMONT, WASHINGTON, WEST VIRGINIA, WISCONSIN, and WYOMING, the Commonwealths of KENTUCKY, MASSACHUSETTS, PENNSYLVANIA, PUERTO RICO and VIRGINIA, and the DISTRICT OF COLUMBIA (the "States" or "Plaintiffs") allege as follows:

1. The States bring this action under the antitrust laws of the United States and of the States, and/or the consumer protection and unfair competition laws of the States, to recover damages suffered by the States' consumers resulting from an illegal resale price maintenance, exclusive dealing and monopolization scheme orchestrated by Salton, Inc. ("Salton"), and implemented, in whole or in part, through combinations or agreements with others. The purpose of this unlawful activity was to maintain artificially inflated prices for Salton's George Foreman™ contact grills ("George Foreman Grills" or "GF Grills") by preventing retailers from discounting and by excluding rivals from the marketplace.

INTRODUCTION

2. "Contact grills" are hinged, two-surfaced electric cooking appliances, which cook food on

both sides simultaneously when the two surfaces are closed. Contact grills may also permit excess grease to be drained away from the food into a receptacle. In recent years, contact grills have rapidly become one of the most sought-after kitchen appliances in the United States.

3. Salton dominates the market for contact grills. In order to maintain its monopoly power in this market, and to insure that its grills are sold at artificially inflated prices, Salton has engaged, and continues to engage, in various anti-competitive practices.
4. Beginning at least as early as 1997, Salton established and announced minimum prices, below which it has not allowed its retailers to sell its mid-sized (GR20 or GR26), and large (GR30 or GR36) GF Grills, and other GF models. Salton's minimum price policy forbids retailers from selling these grills below the price at which Salton sells the products directly on the Internet or via infomercials broadcast on television. Some retailers who believed they could profitably sell these grills for lower prices attempted to do so. When a retailer charged below Salton's minimum price, however, Salton suspended that retailer's shipments of GF Grills for a limited period. Either before or during the suspension period, Salton further informed the retailer that Salton would refuse to supply George Foreman Grills in the future if the retailer again sold below the resale prices set by Salton. Upon receiving a commitment from the suspended retailer to price as Salton demanded, Salton reinstated the retailer. Salton thereby unlawfully fixed the prices at which retailers resold its GF Grills.
5. At the same time that Salton denied consumers the benefits of unrestrained price competition on its own grills, it also restricted consumer access to contact grills of equal or

superior quality, and/or of lower or equivalent price, manufactured or sold by competitors. Salton generally forbids its retailers from selling contact grills other than its own, and suspended sales of its GF Grills to retailers who refused to abide by Salton's exclusivity restrictions. In view of the popularity of George Foreman Grills – and the substantial retail margins that Salton established via its illegal resale price restrictions – few retailers were willing to challenge Salton's exclusionary actions. Thus, Salton unlawfully foreclosed competitors from reaching a significant portion of the contact grill market and denied consumers the full range of choices in products and prices to which they were entitled by law.

6. These anti-competitive practices: (a) prevented and continue to prevent consumers from purchasing lower-priced contact grills; (b) denied and continue to deny consumers access to a wider variety of marketplace options; and (c) hindered and continue to hinder competitors from selling products of equal or greater quality, or of equal or lower price. By this action, the States seek recompense for these injuries on behalf of their consumers, and injunctive relief to prevent Salton from continuing to engage in, or from returning to, such misconduct in the future.

JURISDICTION AND VENUE

7. This action arises under §§ 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and §§ 3, 4c and 16 of the Clayton Act, 15 U.S.C. §§ 14, 15c and 26. This Court has subject matter jurisdiction over Plaintiffs' claims under 28 U.S.C. §§ 1331 and 1337.
8. This complaint also alleges violations of state antitrust, unfair competition, and/or

consumer protection laws, and seeks damages, restitution, injunctive relief, civil penalties and related relief under those state laws. This Court has jurisdiction over those claims under 28 U.S.C. § 1367 and the principles of supplemental jurisdiction. The federal and state law claims arise from a common nucleus of operative facts, and the entire suit commenced by this Complaint constitutes a single action that would ordinarily be tried in one judicial proceeding. The exercise of supplemental jurisdiction will avoid duplication and a multiplicity of actions, and will promote the interests of judicial economy, convenience and fairness.

9. This Court further has personal jurisdiction over Salton under 15 U.S.C. § 22 and N.Y. C.P.L.R. 302(a). Salton has: (a) transacted business in New York State; (b) committed tortious acts within the state; and/or (c) committed tortious acts without the state causing injury within the state. The claims alleged in this Complaint arise out of such business or tortious acts.
10. Venue in this district is proper under 28 U.S.C. § 1391(b), (c) and (d), 15 U.S.C. § 22 and N.Y. C.P.L.R. §§ 503 and 505.

THE PARTIES

11. Plaintiff States bring this action in their sovereign capacity, as *parens patriae* on behalf of natural persons for whom the States may act, as *parens patriae* on behalf of their States' citizens, economy and general welfare, and/or as otherwise authorized by law, to enforce federal and state antitrust laws, to recover damages sustained by natural persons residing in their respective States as a result of Salton's illegal anti-competitive conduct; and to

secure appropriate equitable relief.

12. Defendant Salton, Inc. is a corporation organized under the laws of Delaware, with its principal place of business in Mount Prospect, Illinois. Salton transacts business – and/or Salton's products are sold – in each of the Plaintiff States and throughout the United States generally.

CO-CONSPIRATORS

13. Various firms, persons, corporations and other business entities, known and unknown to the States and not named as defendants, including without limitation unnamed retailers and wholesalers, have participated as co-conspirators with Salton in the violations alleged in this Complaint, and have performed acts in furtherance thereof.

PRODUCT AND GEOGRAPHIC MARKETS

14. The product market in this case is the market for retail sales of contact grills. There are no close substitutes for such products that are reasonably interchangeable.
15. The geographic market in this case is the United States.
16. During the period beginning at least as early as 1997 and continuing to the present, Salton has dominated the retail market for contact grills, with a market share substantially in excess of 50%.

TRADE AND COMMERCE

17. Salton is engaged in the business of developing, arranging for the manufacture of,

distributing and selling a variety of houseware products, ranging from small electrical appliances to fine china. Among other items, Salton distributes the George Foreman Grills.

18. At all times pertinent to this Complaint, Salton sold George Foreman Grills to consumers throughout the United States, both directly over the Internet and on television, and through wholesalers and retailers.
19. Salton's GF Grills were transported across state lines and were sold in the Plaintiff States by both Salton and such wholesalers and retailers.
20. Salton's George Foreman contact grills were marketed, promoted and sold in interstate commerce throughout the United States.
21. The activities of Salton and its co-conspirators -- including marketing, promoting, receiving, distributing and selling contact grill products -- were in the regular, continuous and substantial flow of interstate commerce and have had, and do have, a substantial effect upon interstate commerce.

ANTI-COMPETITIVE CONDUCT

Salton's Resale Price Maintenance Scheme

22. Commencing at least as early as 1997, Salton took steps to restrain competition in the sale of contact grills and to fix, stabilize or maintain the resale prices of its George Foreman Grills at artificially high levels. To accomplish this, Salton announced to its retailers that it would suspend shipments to them if they sold GF Grills below its "minimum advertised price" ("MAP price"). The MAP price was, for any particular Salton product, generally

identical to the price that Salton itself charged customers for the same product in direct retail sales via the Internet and television infomercials.

23. The products subject to Salton's minimum pricing policy included certain George Foreman Grills. Specifically, the GR20 had a MAP price of \$59.99 and the GR30 had a MAP price of \$99.99.¹ These models were later replaced by the GR26 and GR36, respectively, which retained the same MAP prices. Salton has added other GF Grill models to its list of MAP products.
24. From time to time, information came to Salton's attention that a retailer who purchased Salton's products – either directly from Salton or through a wholesaler or retailer to whom Salton sold – was offering Salton's products for sale at prices below Salton's MAP prices. Salton often obtained such information about retailer prices from complaints by other retailers, and Salton told complaining retailers about specific steps that it took, intended to take, or was taking to have discounting retailers adhere to Salton's MAP prices.
25. When Salton learned that a retailer was offering its GF grills below Salton's MAP price, Salton suspended the retailer from receiving that product for a limited period. Salton also told its wholesalers that it would suspend them if one of the retailers to which they provided GF Grills offered those products at retail below Salton's MAP price.
26. Before or during each such suspension, Salton engaged in discussions with the suspended retailer. In these discussions, Salton stated, in words or substance, the retail prices at which its George Foreman contact grills had to be resold, and that it would refuse to

¹The line of George Foreman Grills consists of different size products, identified by the letters "GR," and a number, indicating the grill's diameter in inches.

resume shipments or would terminate future shipments if the retailer were to discount GF Grills again.

27. In virtually all instances, the suspended retailer told Salton, in words or substance, that it would re-sell the grills at the MAP prices set by Salton. After the retailer made such a commitment, Salton resumed shipments at the end of the suspension period. Through this practice, Salton coerced its retailers into agreements to fix the retail prices of GF Grills, and achieved their adherence to Salton's pricing requirements by means beyond mere refusal to deal.
28. From 1998 through the present, Salton has suspended numerous retailers, thereby coercing them to agree to sell at the price demanded by Salton.
29. Salton also informed retailers when it suspended one of their competitors who offered Salton's GF Grills for sale at prices below Salton's announced MAP prices, and the steps the retailer took to adhere to Salton's demands. Salton communicated these suspensions to drive home to other retailers the consequences of failing to adhere to Salton's pricing requirements, and with the intent that those other retailers would continue to price in accordance with Salton's demands. Because many retailers monitor and match competitors' prices as a matter of policy or practice, Salton's agreement with one retailer on price maintained the prices of numerous other retailers as well. Virtually all major retailers have priced, and continue to price, at the levels required by Salton.
30. Salton's policy also coerced agreements from those retailers that were not subject to suspensions. Salton told all its retailers that its MAP prices were mandatory, and that they faced a suspension of GF Grill shipments if they did not comply with the resale prices

established by Salton.

31. In these ways, Salton: (a) reached agreements on price with its retailers; (b) coerced retailers to set specific prices by means beyond a mere refusal to deal; and (c) intentionally caused other retailers to maintain their prices at the levels demanded by Salton – all with the intent and effect that those retailers adhere to Salton’s MAP prices. Consumers were injured accordingly.

Exclusive Dealing and Monopolization

32. In addition to orchestrating a resale price maintenance scheme, Salton excluded rival contact grill products from important retail distribution channels. Salton accomplished this by adopting and communicating a policy prohibiting retailers from selling its rivals’ contact grills.
33. Those retailers who sold contact grills made or distributed by Salton’s rivals often suffered the same fate as those who discounted the GF Grills: Salton threatened to withhold or actually withheld future shipments of its own product unless the dealer ceased to offer the rival grill. As a result of this activity, Salton’s competitors have been excluded from key distribution channels, as those who have stocked rival products capitulated to Salton’s demand for exclusivity. In this manner, Salton has successfully foreclosed to its competitors a substantial portion of the outlets available to sell contact grills at retail.
34. Some retailers also declined to sell contact grills made by Salton’s rivals because Salton had conveyed the message that such sales would jeopardize future shipments of the GF Grills.

35. Salton's policy substantially restricted distribution channels available for other contact grills, and diminished the incentive of competitors to invest in product development and advertising.
36. The anti-competitive impact of Salton's price restrictions was magnified by these exclusivity policies. Because Salton's efforts restricted the ability of competitors to enter the market, there was little inter-brand competition to constrain Salton's artificial inflation of prices via its resale price maintenance scheme on GF Grills. Again, consumers in the Plaintiff States were harmed.

THE EFFECTS OF SALTON'S ILLEGAL CONDUCT

37. Salton's acts and practices, undertaken in conjunction with its co-conspirators, had the purpose or effect, or the tendency or capacity, unreasonably to restrain trade and to injure competition within and throughout the United States, by:
- (a) Establishing a regime of resale price maintenance, which restricted independent retailer pricing of contact grills, and which deprived consumers of the benefits of an unrestrained competitive market;
 - (b) Coercing retailers into selling contact grills at prices above those that the retailers otherwise would have set in exercising their independent business judgment;
 - (c) Coordinating efforts by retailers of contact grills to stop discounting by their competitors;
 - (d) Raising the prices that consumers had to pay for contact grills above their

competitive level;

(e) Depriving consumers of the opportunity to choose among contact grills manufactured or sold by competing suppliers, including those of equivalent or superior quality, and/or those of equal or lower price; and

(f) Excluding competitors and potential competitors from significant portions of the contact grill market, thereby precluding other manufacturers or sellers from providing consumers with alternatives to the George Foreman Grills.

**FIRST CLAIM:
CONSPIRACY IN RESTRAINT OF TRADE IN VIOLATION OF
SECTION 1 OF THE SHERMAN ACT**

38. The Plaintiff States repeat the allegations in paragraphs 1 through the preceding paragraph.
39. Since at least as early as 1997, Salton and its co-conspirators have engaged in continuing unlawful contracts, combinations or conspiracies in unreasonable restraint of interstate trade and commerce in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.
40. The combinations, contracts and conspiracies consisted of, among other things, express or implied agreements between Salton and its dealers to set the resale price for George Foreman Grill models GR20, GR26, GR30 and GR36, as well as other models, and to exclude rival contact grills from significant channels of distribution.
41. Salton also has entered into continuing unlawful contracts, combinations and conspiracies by coercing dealers of the George Foreman Grills to set retail prices at the level at which Salton sold these Grills directly to retail customers (i.e., end users).
42. As a result of this unlawful conduct, natural person consumers residing in the Plaintiff

States have paid higher prices for contact grills than they would have paid absent Salton's anti-competitive acts, and consumers were deprived of a full, competitive range of choices.

43. The actions of Salton and its co-conspirators are a *per se* violation of Section 1 of the Sherman Act. Alternatively, the anti-competitive effects of these actions outweigh their pro-competitive benefits, if any, and thus Salton's conduct is illegal under the Rule of Reason.

**SECOND CLAIM:
MONOPOLIZATION OF THE MARKET FOR CONTACT GRILLS
IN VIOLATION OF SECTION 2 OF THE SHERMAN ACT**

44. The Plaintiff States repeat the allegations in paragraphs 1 through the preceding paragraph.
45. Salton engaged in exclusionary, anti-competitive conduct designed to prevent competition on the merits between itself and its competitors in the market for contact grills sold at retail to end user consumers. In summary, Salton has: (a) informed retailers and wholesalers that it will not sell its George Foreman Grills to anyone that markets a competitive grill; (b) suspended retailers (including cancelling product already on order) who sell or offer to sell both Salton products and products of Salton's competitors; and (c) coordinated agreements on resale price which illegally increased retailer margins on GF Grills, and diminished retailers' incentives to challenge Salton's exclusivity requirements.
46. These policies excluded competing manufacturers and/or sellers from a substantial share of the distribution channels for contact grills sold at retail to end user consumers.
47. These acts were intended to, and did, enable Salton to acquire and/or maintain monopoly

power in the market for contact grills sold at retail to end user consumers in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2.

**THIRD CLAIM:
ATTEMPT TO MONOPOLIZE THE MARKET FOR CONTACT GRILLS
IN VIOLATION OF SECTION 2 OF THE SHERMAN ACT**

48. The Plaintiff States repeat the allegations in paragraphs 1 through the preceding paragraph.
49. At all relevant times, Salton acted with an intent to monopolize, and to exclude competition in, the market for contact grills sold at retail to end user consumers in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2.
50. At the time Salton engaged in these acts, there was a dangerous probability of Salton obtaining or maintaining monopoly power in the market for contact grills, in violation of Section 2 of the Sherman Act.

**FOURTH CLAIM:
EXCLUSIVE DEALING
IN VIOLATION OF SECTION 3 OF THE CLAYTON ACT**

51. The Plaintiff States repeat the allegations in paragraphs 1 through the preceding paragraph.
52. Salton has made sales or contracts for the sale of contact grills on the condition, agreement or understanding that retailers selling GF Grills will not deal in the contact grills of a competitor. This conduct violates Section 3 of the Clayton Act, 15 U.S.C. § 14.
53. Specifically, Salton has: (a) informed retailers that it will refuse to sell George Foreman grills to retailers who offer for sale a competitive contact grill; (b) suspended retailers who sell or offer to sell contact grills manufactured or sold by persons other than Salton,

(including cancelling product already on order by a retailer); and (c) required that suspended retailers, in order to secure Salton products, promise to refrain from selling or offering to sell the contact grills of Salton's competitors again.

54. The effect of Salton's conduct has been, may have been, is, or may be substantially to lessen competition, or to tend to create a monopoly, in the market for contact grills sold at retail to end user consumers.

**FIFTH CLAIM:
STATE LAW CLAIMS**

55. Plaintiffs repeat the allegations in paragraphs 1 through the preceding paragraph.
56. Salton's anti-competitive practices violate state antitrust, unfair competition and consumer protection statutes.
57. The aforementioned acts and practices by Salton were and are in violation of New York General Business Law § 340, *et seq*, and Executive Law § 63(12).
58. The aforementioned acts and practices by Salton were and are in violation of 740 Illinois Compiled Statutes 10/3.
59. The aforementioned acts and practices by Salton were and are in violation of Code of Alabama § 8-10-1 *et seq*.
60. The aforementioned acts and practices by Salton were and are in violation of the Alaska Unfair Trade Practices and Consumer Protection Act, Alaska Statute 45.50.471 - 45.50.561 and the Alaska Monopolies and Restraint of Trade Act, Alaska Statute 45.50.562 - 45.50.596.

61. The aforementioned acts and practices by Salton were and are in violation of Arizona Uniform State Antitrust Act § 44-1401 *et seq.*
62. The aforementioned acts and practices by Salton were and are in violation of the Arkansas Deceptive Trade Practices Act, Ark. Code Ann. § 4-88-101 *et seq.*
63. The aforementioned acts and practices by Salton were and are in violation of California's Cartwright Act, California Business & Professional Code § 16720 *et seq.*, and California's Unfair Competition Act, California Business & Professional Code § 17200 *et seq.*
64. The aforementioned acts and practices by Salton were and are in violation of the Colorado Antitrust Act of 1992, § 4-4-101 C.R.S. (2002).
65. The aforementioned acts and practices by Salton were and are in violation of the Connecticut Antitrust Act, Conn. Gen. Stat. § 35-24 *et seq.* and the Connecticut Unfair Trade Practices Act. The defendant's course of conduct has been undertaken in the conduct of trade or commerce as defined in Conn. Gen. Stat. § 42-110a(4), and the defendant's acts and practices constitute unfair acts or practices in violation of Conn. Gen. Stat. § 42-110b(a).
66. The aforementioned acts and practices by Salton were and are in violation of the Delaware Antitrust Act, 6 Delaware Code Chapter 21, and Delaware's Uniform Deceptive Trade Practices Act, 6 Delaware Code, Subchapter 111, § 2532.
67. The aforementioned acts and practices by Salton were and are in violation of District of Columbia Antitrust Act, D.C. Code Ann. § 28-4502.
68. The aforementioned acts and practices by Salton were and are in violation of Chapter 542, Florida Statutes (the Florida Antitrust Act of 1980) and Chapter 501, Part II, Florida

Statutes (the Florida Deceptive and Unfair Trade Practices Act). The violations of section 501.204, Florida Statutes have occurred in or affected, and are occurring in or affecting, more than one judicial circuit of the State of Florida.

69. The aforementioned acts and practices by Salton were and are in violation of Official Code of Georgia Annotated (OCGA) § 13-8-2.
70. The aforementioned acts and practices by Salton were and are in violation of Hawaii Revised Statutes § 480-1 *et seq.*
71. The aforementioned acts and practices by Salton were and are in violation of the Idaho Competition Act, Idaho Code § 48-101 *et seq.*
72. The aforementioned acts and practices by Salton were and are in violation of Indiana Code § 24-1-1-1 *et seq.*
73. The aforementioned acts and practices by Salton were and are in violation of the Iowa Competition Act, Iowa Code § 553.1 *et seq.* and the Iowa Consumer Fraud Act, Iowa Code § 714.16.
74. The aforementioned acts and practices by Salton were and are in violation of the Kansas Restraint of Trade Act, Kansas Statutes Annotated 50-101 *et seq.* and its predecessor.
75. The aforementioned acts and practices by Salton were and are in violation of the Kentucky Consumer Protection Act KRS § 367.175.
76. The aforementioned acts and practices by Salton were and are in violation of Louisiana Revised Statutes § 51:121, *et seq.*, and § 51:1405.
77. The aforementioned acts and practices by Salton were and are in violation of 10 Maine Rev. Stat. §§ 1101 and 1102, and in intentional violation of 5 Maine Rev. Stat. § 205-A *et*

seq.

78. The aforementioned acts and practices by Salton were and are in violation of the Maryland Antitrust Act, Md. Com. Law Code Ann. § 11-201 *et seq.*
79. The aforementioned acts and practices by Salton were and are in violation of the Massachusetts Consumer Protection Act, Mass. Gen. L. c. 93A § 1 *et seq.* and the Massachusetts Antitrust Act, Mass. Gen. L. c. 93 § 1 *et seq.*
80. The aforementioned acts and practices by Salton were and are in violation of the Michigan Antitrust Reform Act, Mich. Comp. Laws Ann. § 445.771 *et seq.*
81. The aforementioned acts and practices by Salton were and are in violation of the Mississippi Code Annotated §§ 75-21-1 *et seq.* and 75-24-1, *et seq.* (1972, as amended).
82. The aforementioned acts and practices by Salton were and are in violation of Montana Code Ann. § 30-14-205.
83. The aforementioned acts and practices by Salton were and are in violation of Nebraska Rev. Stat. Consumer §§ 59-801 - 59-831 and §§ 59-1601 - 59-1623.
84. The aforementioned acts and practices by Salton were and are in violation of the Nevada Unfair Trade Practice Act, NRS Chapter 598A.
85. The aforementioned acts and practices by Salton were and are in violation of the New Hampshire RSA 356.
86. The aforementioned acts and practices by Salton were and are in violation of the New Jersey Stat. Ann., title 56, ch. 9, § 56:9-1 *et seq.*
87. The aforementioned acts and practices by Salton were and are in violation of North Carolina General Statutes §§ 75-1, 75-1.1, 75-2 and 75-2.1.

88. The aforementioned acts and practices by Salton were and are in violation of North Dakota's Uniform Antitrust Act, N.D. Cent. Code § 51-08.1-01 *et seq.*
89. The aforementioned acts and practices by Salton were and are in violation of Ohio Antitrust Law, Ohio Revised Code §§ 109.81 and 1331.01 *et seq.*
90. The aforementioned acts and practices by Salton were and are in violation of Oklahoma Statutes 79 O.S. § 1 *et seq.*
91. The aforementioned acts and practices by Salton were and are in violation of Oregon Revised Statutes § 646.705 *et seq.*
92. The aforementioned acts and practices by Salton were and are in violation of 71 Pennsylvania Statutes § 732-204(c).
93. The aforementioned acts and practices by Salton were and are in violation of the Commonwealth of Puerto Rico Monopolies and Restraint of Trade Act, T. 10 L.P.R.A. § 257 *et. seq.*, Act. June 25, 1964, No. 77, as amended.
94. The aforementioned acts and practices by Salton were and are in violation of Rhode Island Antitrust Act, R.I. Gen. Laws § 6-36-6.
95. The aforementioned acts and practices by Salton were and are in violation of South Carolina Code of Laws § 39-5-10 *et seq.*
96. The aforementioned acts and practices by Salton were and are in violation of South Dakota Codified laws § 37-1-3.1 *et seq.*
97. The aforementioned acts and practices by Salton were and are in violation of Tennessee Antitrust Act, Tenn. Code Ann. § 47-25-101 *et seq.*, and the Tennessee Consumer Protection Act, Tenn. Code Ann. § 47-18-101 *et seq.*

98. The aforementioned acts and practices by Salton were and are in violation of Texas Business and Commerce Code §§ 1505(a), (b) and (c).
99. The aforementioned acts and practices by Salton were and are in violation of the Utah Antitrust Act, Utah Code Ann. Sec. 76-10-911 *et seq.*
100. The aforementioned acts and practices by Salton were and are in violation of the Vermont Consumer Fraud Act, Vt. Stat. Ann. tit. 9, ch. 63, § 2451 *et seq.*
101. The aforementioned acts and practices by Salton were and are in violation of Virginia Antitrust Act, Va. Code Ann. § 59.1-9.1 *et seq.*
102. The aforementioned acts and practices by Salton were and are in violation of Washington Rev. Code 19.86010 *et seq.*
103. The aforementioned acts and practices by Salton were and are in violation of the West Virginia Antitrust Act, W. Va. Code § 47-18-1 *et seq.*, and the West Virginia Consumer Credit and Protection Act, W. Va. Code § 46A-1-101 *et seq.*
104. The aforementioned acts and practices by Salton were and are in violation of Wisconsin Trusts and Monopolies Law, Wis. Stat. §§ 133.03(1) and 133.16, and Wisconsin Marketing Trade Practices Act, Wis. Stat. § 100.20.
105. The aforementioned acts and practices by Salton were and are in violation of Wyoming Statutes § 40-4-101 *et seq.* and § 40-12-101 *et seq.*

RELIEF REQUESTED

Accordingly, the States respectfully request judgment as follows:

- A. Adjudging and decreeing that Salton has violated Sections 1 and 2 of the Sherman Act, 15

U.S.C. §§ 1 and 2, and Section 3 of the Clayton Act, 15 U.S.C. § 14;

- B. Adjudging and decreeing that Salton has engaged in conduct in violation of the antitrust laws and other statutes of the States, cited above;
- C. Awarding damages under the Clayton Act against Salton, in favor of the States, as *parens patriae* on behalf of the natural person residents, in an amount equal to three times the damages proven at trial to have been sustained by them as a result of Salton's anti-competitive practices;
- D. Awarding damages under the applicable state statutes against Salton in favor of the States in an amount equal to three times the damages proven at trial to have been sustained by purchasers in the States as a result of Salton's anti-competitive practices or otherwise;
- E. Awarding the States damages, disgorgement and/or restitution under the applicable state statutes against Salton in an amount to be proven at trial;
- F. Awarding the States civil penalties against Salton under the applicable state statutes;
- G. Enjoining and restraining, pursuant to federal and state law, Salton, its affiliates, assignees, subsidiaries, successors and transferees, and its officers, directors, partners, agents and employees, and all other persons acting or claiming to act on its behalf or in concert with it, from (1) engaging in any conduct, contract, combination or conspiracy to fix the resale prices of Salton products, and from adopting or following any practice, plan, program or device having a purpose or effect similar to the anti-competitive actions set forth above; and (2) monopolizing, or attempting to monopolize, the market for contact grills sold at retail to end user consumers; and (3) entering into any conditions, agreements or understandings with retailers selling GF Grills that they will not deal in contact grills of a

competitor.

- H. Directing such other equitable relief as may be necessary to redress Salton's violations of federal and state law;
- I. Awarding Plaintiffs their costs of this action, including reasonable attorneys' fees, and expert fees; and
- J. Granting such other and further relief as may be just and proper.

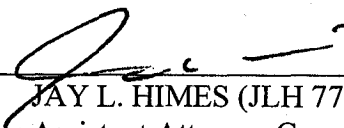
DEMAND FOR JURY TRIAL

The Plaintiff States demand a trial by jury for each and every issue triable of right to a jury.

Dated: New York, New York
October 2, 2002

ELIOT SPITZER,
Attorney General
State of New York

By:


JAY L. HIMES (JLH 7714)
Assistant Attorney General
Chief, Antitrust Bureau

STATE OF NEW YORK
Office of the Attorney General
120 Broadway, Suite 2601
New York, New York 10271
(212) 416-8262

Of Counsel:

LINDA J. GARGIULO
DAVID A. WEINSTEIN
JAMES YOON
Assistant Attorneys General
Antitrust Bureau

STATE OF ILLINOIS

JAMES E. RYAN

Attorney General

Robert W. Pratt

Chief, Antitrust Bureau

Blake Harrop

Assistant Attorney General

100 West Randolph Street

Chicago, IL 60601

(312) 814-3772

STATE OF ALABAMA

BILL PRYOR

Attorney General

Jeff Long

Assistant Attorney General

State House

11 S. Union Street

Montgomery, AL 36130

(334) 242-7300

STATE OF ALASKA

BRUCE M. BOTELHO

Attorney General

Julia Coster

1031 W. Fourth Avenue

Anchorage, AK 99501

(907) 269-5230

STATE OF ARIZONA

JANET NAPOLITANO

Attorney General

Timothy A. Nelson

Special Counsel and Antitrust Unit Chief

1275 West Washington Street

Phoenix, AZ 85007

(602) 542-7752

STATE OF ARKANSAS

MARK PRYOR

Attorney General

Teresa Brown

Senior Assistant Attorney General

323 Center Street

Suite 200

Little Rock, AK 72201

(501) 682-3561

STATE OF CALIFORNIA

BILL LOCKYER

Attorney General

Barbara Motz

Office of the Attorney General of California

300 South Spring Street

Los Angeles, CA 90013

STATE OF COLORADO

KEN SALAZAR

Attorney General

Maria Berkenkotter

Devin Laiho

Assistant Attorneys General

1525 Sherman Street

Denver, CO 80203

STATE OF CONNECTICUT

RICHARD BLUMENTHAL

Attorney General

Steven M. Rutstein

Rachel Davis

Assistant Attorneys General

55 Elm Street

Hartford, CT 06106

(860) 808-5540

STATE OF DELAWARE

M. JANE BRADY
Attorney General
Marsha Kramarck
Deputy Attorney General
820 N. French Street
Wilmington, DE 19801
(302) 577-6630

DISTRICT OF COLUMBIA

ARABELLA W. TEAL
Interim Corporation Counsel
Don A. Resnikoff
Assistant Corporation Counsel
441 4th Street, NW, Suite 1060N
Washington, DC 20001
(202) 727-4170

STATE OF FLORIDA

ROBERT A. BUTTERWORTH
Attorney General
Patricia A. Conners
Chief, Antitrust Section
Eric Taylor
Assistant Attorney General
PL-01, The Capitol
Tallahassee, FL 32399-1050
(850) 414-3600

STATE OF GEORGIA

THURBERT E. BAKER
Attorney General
Robin Cohen
Assistant Attorney General
40 Capitol Square, S.W.
Atlanta, GA 30334-1300
(404) 656-3300

STATE OF HAWAII

EARL I. ANZAI
Attorney General
Rodney I. Kimura
Deputy Attorney General
425 Queen Street
Honolulu, HI 96813
(808) 586-1180

STATE OF IDAHO

ALAN G. LANCE
Attorney General
Brett T. DeLange
Deputy Attorney General
P.O. Box 83720
Boise, ID 83720-0010
(208) 334-4114

STATE OF INDIANA

STEVEN CARTER
Attorney General
Allen Pope
Chief Counsel, Deputy Attorney General
402 W. Washington Street
Indianapolis, IN 46204
(317) 232-6217

STATE OF IOWA

TOM MILLER
Attorney General
John F. Dwyer
Division of Consumer Advocate
310 Maple Street
Des Moines, IA 50319
(515) 281-8414

STATE OF KANSAS

CARLA J. STOVALL

Attorney General

Rex G. Beasley

Assistant Attorney General

120 S. W. 10th Avenue, 4th Floor

Topeka, KS 66612

(785) 296-3751

COMMONWEALTH OF KENTUCKY

ALFRED B. CHANDLER III

Attorney General

David Vandeventer

Assistant Attorney General

1024 Capital Center Drive

Frankfort, KY 40601

(502) 696-5389

STATE OF LOUISIANA

RICHARD P. IEYOUB

Attorney General

Jane B. Johnson

Assistant Attorney General

P.O Box 94095

Baton Rouge, LA 70804-9095

(225) 342-2754

STATE OF MAINE

G. STEVEN ROWE

Attorney General

John Brautigam

Assistant Attorney General

State House Building

Station 6

Augusta, ME 04333

(207) 626-8867

STATE OF MARYLAND

J. JOSEPH CURRAN, JR.

Attorney General

Ellen S. Cooper

Chief, Antitrust Division

Andrew H. Levine

Assistant Attorney General

200 St. Paul Street

Baltimore, MD 21202

(410) 576-6470

COMMONWEALTH OF MASSACHUSETTS

THOMAS F. REILLY

Attorney General

Mary Freeley

Assistant Attorney General

One Ashburton Place

Boston, MA 02108

(617) 727-2200

STATE OF MICHIGAN

JENNIFER M. GRANHOLM

Attorney General

Paul F. Novak

Assistant Attorney General

Consumer Protection Division

525 West Ottawa

6th Floor, G. Mennen Williams Building

Lansing, MI 48909

(517) 335-4809

STATE OF MISSISSIPPI

MIKE MOORE

Attorney General

Scott A. Johnson

Special Assistant Attorney General

P.O. Box 22947

Jackson, MS 39225

(601) 359-4230

STATE OF MONTANA

MICHAEL MCGRATH

Attorney General

Cort Jensen

Special Assistant Attorney General

Montana Department of Administration

1424 9th Avenue

Helena, MT 59620

(406) 444-9680

STATE OF NEBRASKA

DON STENBERG

Attorney General

Dale A. Comer

Assistant Attorney General

Nebraska Department of Justice

2115 State Capitol

Lincoln, NE 68509-8920

(402) 471-2682

STATE OF NEVADA

FRANKIE SUE DEL PAPA

Attorney General

Bureau of Consumer Protection

Consumer Advocate

Maria Martin-Kerr

Deputy Attorney General

1000 E. William Street, Ste. 209

Carson City, NV 89701

(775) 687-6300

STATE OF NEW HAMPSHIRE

PHILIP T. MCGLAUGHLIN

Attorney General

David Rienzo

Assistant Attorney General

33 Capitol Street

Concord, NH 03301

(603) 271-3643

STATE OF NEW JERSEY

DAVID SAMSON

Attorney General

Robert Donaher

Basil Merenda

Deputy Attorneys General

Richard J. Hughes Justice Complex

25 Market St., P.O. Box 085

Trenton, NJ 08625

(609) 292-7497

STATE OF NORTH CAROLINA

ROY COOPER

Attorney General

Kip Sturgis

Assistant Attorney General

North Carolina Department of Justice

P.O. Box 629

114 W. Edenton Street

2nd Floor

Raleigh, NC 27602

(919) 716-6000

STATE OF NORTH DAKOTA

WAYNE STENEHJEM

Attorney General

Parrell D. Grossman

Director, Consumer Protection/Antitrust

State Capitol

600 E Boulevard Ave Dept 125

Bismarck ND 58505-0040

(701) 328-2811

STATE OF OHIO

BETTY D. MONTGOMERY

Attorney General

Doreen C. Johnson

Chief, Antitrust Section

Jennifer L. Pratt

Assistant Chief, Antitrust Section.

140 East Town Street

12th Floor

Columbus, OH 43215

(614) 466-4328

STATE OF OREGON

HARDY MYERS

Attorney General

Robert Roth

Assistant Attorney General

Oregon Department of Justice

1162 Court Street NE

Salem, OR 97301-4096

(503) 378-4732

STATE OF OKLAHOMA

W. A. DREW EDMONSON

Attorney General

Debra Paz

Assistant Attorney General

4545 N. Lincoln Blvd.

Suite 260

Oklahoma City, OK 73105

COMMONWEALTH OF PENNSYLVANIA

D. MICHAEL FISHER

Attorney General

James A. Donahue III

Chef Deputy Attorney General

Antitrust Section

Benjamin Cox

Deputy Attorney General

14th Floor, Strawberry Square

Harrisburg, PA 17120

(717) 787-4530

COMMONWEALTH OF PUERTO RICO

ANNABELLE RODRIQUEZ

Irma Rodriguez Justiano

Deputy Attorney General

Luis D. Martinez-Rivera

Special Prosecutor

Post Office Box 9020192

San Juan, PR 00902-0192

(787) 723-7555

STATE OF RHODE ISLAND

SHELDON WHITEHOUSE

Attorney General

Jametta Alston

Assistant Attorney General

150 South Main Street

Providence, Rhode Island 02903

STATE OF SOUTH CAROLINA

CHARLES M. CONDON

Attorney General

C. Havird Jones, Jr.

Senior Assistant Attorney General

Rembert C. Dennis Building

1000 Assembly Street, Suite 501

Columbia, SC 29211-1549

(803) 734-3970

STATE OF SOUTH DAKOTA

MARK BARNETT

Attorney General

Jeffrey P. Hallem

Assistant Attorney General

500 East Capitol Ave

Pierre, SD 57501-5070

(605) 773-3215

COMMONWEALTH OF VIRGINIA

JERRY W. KILGORE
Attorney General
Sarah Oxenham Allen
Assistant Attorney General
Antitrust and Consumer Litigation Section
900 East Main Street
Richmond, VA 23219
(804) 786-2116

STATE OF WASHINGTON

CHRISTINE O. GREGOIRE
Attorney General
Tina E. Kondo
Chief, Antitrust Division
Don Irby
Assistant Attorney General
Antitrust Division
900 Fourth Avenue, Suite 2000
Seattle, WA 98164-1012
(206) 464-7744

STATE OF WEST VIRGINIA

DARRELL V. McGRAW, JR.
Attorney General
Jill L. Miles
Deputy Attorney General
Consumer Protection and Antitrust Division
P.O. Box 1789
Charleston, WV 25326-1789
(304) 558-8986

STATE OF WISCONSIN

JAMES E. DOYLE
Attorney General
Kevin J. O'Connor
Assistant Attorney General
Wisconsin Department of Justice
P.O. Box 7857
Madison, WI 53707-7857
(608) 266-8986

STATE OF WYOMING
HOKE MACMILLAN
Attorney General
Christopher Petrie
Assistant Attorney General
Office of the Attorney General of Wyoming
123 Capitol Building
Cheyenne, WY 82002
(307) 777-5838