UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Edith Ramirez, Chairwoman Julie Brill Maureen K. Ohlhausen Joshua D. Wright Terrell McSweeny

In the Matter of

Professional Lighting and Sign Management Companies of America, Inc. a corporation. Docket No. C-4507

COMPLAINT

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The Federal Trade Commission ("Commission"), 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, having reason to believe that Professional Lighting and Sign Management Companies of America, Inc. ("Respondent" or "PLASMA"), a corporation, has violated and is violating the provisions of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues this Complaint, stating its charges as follows:

I. **RESPONDENT**

- 1. Respondent Professional Lighting and Sign Management Companies of America, Inc., is a non-profit corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Florida, with its office and principal place of business located at 1100-H Brandywine Boulevard, Zanesville, Ohio.
- 2. Respondent is an association of licensed electricians, with approximately 25 member firms located across the country. Respondent's members specialize in commercial lighting and electrical sign installation and maintenance. Except to the extent that competition has been restrained as alleged herein, some of Respondent's members have been and are now in competition among themselves and with other electricians.

II. JURISDICTION

- 3. Respondent conducts business for the pecuniary benefit of its members and is therefore a "corporation," as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.
- 4. The acts and practices of Respondent, including the acts and practices alleged herein, are in or affecting "commerce" as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

III. NATURE OF THE CASE

- 5. Respondent maintains a set of Member Bylaws and Standard Operating Procedures ("Bylaws") applicable to the commercial activities of its members, and requires its members to comply with its Bylaws.
- 6. Respondent has acted as a combination of its members, and in agreement with at least some of those members, to restrain competition by designating a territory for each member, and by restricting through its Bylaws the ability of its members to compete in the designated territory of another member; to compete on price; and to solicit or compete for the customers of other members. Specifically, Respondent maintains the following provisions in its Bylaws:
 - a. A provision that prohibits a member from providing to a customer commercial lighting or sign services in the designated territory of another member, unless such other member first declines to perform the work;
 - b. A price schedule governing the price of any such work performed in the designated territory of another member; and
 - c. A provision that bars any member, for one year following termination of membership, from soliciting or competing for the customers (or prospective customers) of another member.
- 7. In furtherance of the combination alleged in Paragraph 6, Respondent established a grievance committee to uphold and maintain industry standards and member business practices as set forth in Respondent's Bylaws. The grievance committee provides an avenue for resolving alleged violations of the Bylaws, as well as a process through which Respondent may sanction violations of the Bylaws.

IV. VIOLATION CHARGED

8. The purpose, effect, tendency, or capacity of the combination, agreement, acts and practices alleged in Paragraphs 6 and 7 has been and is to restrain competition unreasonably and to injure consumers by discouraging and restricting competition among licensed electricians, and by depriving consumers and others of the benefits of free and open competition among licensed electricians.

9. The combination, agreement, acts and practices alleged in Paragraphs 6 and 7 constitute unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45. Such combination, agreement, acts and practices, or the effects thereof, are continuing and will continue or recur in the absence of the relief requested herein.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this fifth day of February, 2015, issues its Complaint against Respondent.

By the Commission.

Donald S. Clark Secretary

SEAL: