

California Association of Pest Control Advisers Antitrust Statement

CAPCA believes strongly in competition. Our antitrust laws are the rules under which our competitive system operates. Their purpose is to preserve and promote free competition. Therefore, it is CAPCA's policy to comply in all respects with the antitrust laws.

Association meetings, seminars or workshops by their very nature bring competitors together. Accordingly, it is necessary to avoid discussions of sensitive topics and especially important to avoid recommendations with respect to sensitive subjects. Agreements to fix prices, allocate markets, and engage in product boycotts and to refuse to deal with third parties are automatically illegal under the antitrust laws. It doesn't matter what the reason for the agreement might be.

Accordingly, at any association meeting, discussions of prices (including elements of prices such as allowances and credit terms), quality ratings of suppliers, and discussions which may cause a competitor to cease purchasing from a particular supplier, or selling to a particular customer, should be avoided. Also, there should be no discussion that might be interpreted as a dividing up of territories.

An antitrust violation does not require proof of a formal agreement. A discussion of a sensitive topic, such as prices, followed by parallel action by those involved or present at the discussion is enough to show a price fixing conspiracy. As a result, those attending an association-sponsored meeting should remember the importance of avoiding not only unlawful activities, but even the appearance of unlawful activity.

As a practical matter, violations of these rules can have serious consequences for a company and its employees. The Sherman Act is a criminal statute. Violations are felonies punishable by penalties of up to \$100 million for corporations and by imprisonment of up to three years or penalties of up to \$1 million, or both, for individuals. The Justice Department, state attorney general and any person or company injured by a violation of the antitrust laws may bring an action for three times the amount of the damages, plus attorney's fees.

Antitrust investigations and litigations are lengthy, complex and disruptive. Therefore, all companies and their employees must not only comply with the antitrust laws in fact, but must conduct themselves in a manner that avoids even the slightest suspicion that the law is being violated.

**CERTIFICATE OF
SECRETARY**

I certify that I am the duly elected and acting Secretary of the California Association of Pest Control Advisers, a California nonprofit mutual benefit corporation, that the above Antitrust Statement is an official policy of this corporation as adopted by the Board of Directors on May 15, 2014.

Executed on the _ day of May, 2014 at SACRAMENTO,
California.



John McClenahan, Secretary