Supreme Court of Pennsylvania

Court of Common Pleas Civil Cover Sheet Dauphin County

For Prothonotary Use Only:		
Docket No:		
010-CV-11677	-EQ	

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Commencement of Action: ☐ Complaint ☐ Writ of Summ ☐ Transfer from Another Jurisdiction		Petition Declaration of Taking	☐ Notice of Appeal
Lead Plaintiff's Name: Commonwealth of Pennsylvania		Lead Defendant's Name: Twin Ponds, Inc	
☐ Check h Name of Plaintiff/Appellant's Attorney:	ere if you are a Sel	f-Represented (Pro	Se) Litigant
Are money damages requested? : Yes □ No		Dollar Amount Re (Check one	
Is this a	Class Action Suit	t?	⊠ No
Nature of the Case: Place an "X" to PRIMARY CA	SE. If you are making	E case category that ring more than one ty	most accurately describes your pe of claim, check the one that
☐ Intentional ☐ Buyer Plainti ☐ Malicious Prosecution ☐ Debt Collecti ☐ Motor Vehicle ☐ Debt Collecti ☐ Nuisance ☐ Debt Collecti ☐ Premises Liability ☐ Employment ☐ Slander/Libel/ Defamation ☐ Employment ☐ Other: ☐ Other: MASS TORT ☐ Asbestos ☐ Tobacco		on: Credit Card on: Other Dispute:	Administrative Agencies Board of Assessment Board of Elections Dept. of Transportation Zoning Board Statutory Appeal: Other Judicial Appeals MDJ - Landlord/Tenant MDJ - Money Judgment Other:
Toxic Tort - DES Toxic Tort - Implant Toxic Waste Other: PROFESSIONAL LIABLITY Dental Legal Medical Other Professional: Toxic Tort - DES REAL PROPER Ejectment Coround Ren Landlord/Te Mortgage Fo Partition Quiet Title	nain/Condemnation	MISCELLANEOUS Common Law/Statutory Arbitrati Declaratory Judgment Mandamus Non-Domestic Relations Restraining Order Quo Warranto Replevin Other: Common Law Antitrust	

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Commonwealth of Pennsylvania,) IN THE COURT OF COMMON PLEAS) DAUPHIN COUNTY, PENNSYLVANIA
Plaintiff,	
v.) CIVIL ACTION NO.
Twin Ponds, Inc., Susquehanna Ice House And Its Successors and Assigns,	3010-CV-11677-EP
Craig V. Gartzke, Cindy L. Gartzke, Chris C. Haring, William R. Grace	
and Elizabeth A. Grace,	
	; (
Defendants.)

COMPLAINT IN EQUITY AND PETITION FOR PERMANENT INJUNCTION

1. The Commonwealth of Pennsylvania, acting under the direction of Attorney
General Tom Corbett brings this civil action as *parens patriae* to enjoin defendants, Twin Ponds,
Inc., Susquehanna Ice House. Inc. and its successors and assigns, Craig V. Gartzke,
Cindy L. Gartzke, Chris C Haring. William R. Grace and Elizabeth A. Grace, from engaging in
and constituting an unreasonable restraint of trade in violation of Pennsylvania antitrust common
law.

I. PARTIES

2. The Plaintiff is the Commonwealth of Pennsylvania, represented by its elected Attorney General, Tom Corbett. Attorney General Corbett is the chief law enforcement officer of the Commonwealth of Pennsylvania and is authorized by the Commonwealth Attorneys Act to

bring actions on behalf of the Commonwealth and its citizens for violations of the antitrust laws pursuant to 71 P.S. § 732-204 (c).

- 3. Defendant, <u>Twin Ponds</u>, <u>Inc.</u> Owns ice skating rinks in the Harrisburg area, with facilities on both the east and west shores of Harrisburg. Owned 50% by Reed Patton, with the remaining 50% divided among his two brothers Bill and Craig Patton.
- 4. Defendant, <u>Susquehanna Ice House, Inc.</u> ("SIH") predecessor entity which owned and operated the Susquehanna Ice House. now known as Susquehanna Sports Center, at 1001 Bosler Avenue, Lemoyne, Pennsylvania.
- Defendant, <u>Craig V. Gartzke</u> Formerly owned and operated the Susquehanna Sports Center, formerly known as the Susquehanna Ice House, at 1001 Bosler Avenue,
 Lemoyne, Pennsylvania. Craig V. Gartzke is the husband of Cindy L. Gartzke.
- 6. Defendant, <u>Cindy L. Gartzke</u> Formerly owned and operated the Susquehanna Sports Center, formerly known as the Susquehanna Ice House, at 1001 Bosler Avenue, Lemoyne, Pennsylvania. Cindy L. Gartzke is the wife of Craig V. Gartzke.
- 7. Defendant, <u>Chris C. Haring</u> Currently owns and operates the Susquehanna Sports Center, formerly known as the Susquehanna Ice House, at 1001 Bosler Avenue, Lemoyne, Pennsylvania.
- 8. Defendant, William R. Grace Owns the property at 1001 Bosler Avenue,
 Lemoyne, Pennsylvania, where Susquehanna Sports Center, formerly known as Susquehanna Ice
 House, operates. William R. Grace is the husband of Elizabeth A. Grace.

9. Defendant, Elizabeth A. Grace – Owns the property at 1001 Bosler Avenue,
Lemoyne, Pennsylvania, where Susquehanna Sports Center, formerly known as Susquehanna Ice
House, operates. Elizabeth A. Grace is the wife of William R. Grace.

II. JURISDICTION AND VENUE

10. This court has jurisdiction over the subject matter of and defendant in this action pursuant to Title 42, Judiciary and Judicial Procedure, 42 Pa. C.S.A. § 931 (b). Venue is proper in this Court.

III. DEFINITIONS

- 11. Ice Skating Business means all ice skating related products and services including, but not limited to, the rental of ice time for any purpose including ice hockey and figure skating, the rental of ice skates and related equipment and the sale of ice hockey equipment including ice skates, helmets, sweaters, pads and other related gear and clothing.
- 12. Indoor Soccer Business means all indoor soccer related products and services including, but not limited to, the rental of facilities time for any purpose including indoor soccer, the rental of indoor soccer equipment and the sale of indoor soccer gear, clothing, shoes or other related items.
- Roller Skating Business means all rolling skating related products and services including, but not limited to, the rental of facilities time for any purpose including roller hockey and roller skating, the rental of roller skates and related equipment and the sale of roller hockey equipment, including roller skates, helmets and other related gear and clothing
- 14. The Gartzkes mean Craig V. Gartzke and Cindy L. Gartzke, husband and wife, owners and operators of the Susquehanna Sports Center.

15. The Graces – mean William R. Grace and Elizabeth A. Grace, husband and wife, owners of the property where Susquehanna Sports Center operates.

IV. MEETING THE NEED FOR AN ICE RINK

- 16. Commonwealth of Pennsylvania hereby incorporates by reference thereto the averments of the preceding paragraphs hereto as if fully set forth herein and further alleges as follows.
- 17. Craig Gartzke, Cindy Gartzke and Barry Fell had children involved in youth developmental hockey in the Harrisburg, Pennsylvania, area.
- 18. In 1994, Barry Fell registered the Rockets Hockey Club as a non-profit corporation formed from what was formerly the Holy Name Jets Hockey Club.
- Craig Gartzke, Cindy Gartzke and Barry Fell partnered together to form
 Susquehanna Ice House, Inc. in 1996.
- 20. The Susquehanna Ice House business was formed primarily for the purpose of ensuring the availability of ice time for the Rockets Hockey Club, since ice time was difficult to get from Twin Ponds.
- 21. After the formation of Susquehanna Ice House, Inc., Craig Gartzke,
 Cindy Gartzke and Barry Fell leased a large building at 1001 Bosler Avenue, Lemoyne,
 Pennsylvania (the "Property") from William R Grace and Elizabeth A. Grace in 1996.
 - 22. The Harrisburg Rockets practiced and played games at the Property.
- 23. Barry Fell concluded that SIH was self-sufficient after it was in operation for two years and turning a modest profit.

- 24. On December 29, 1997, Barry Fell exited his partnership with Craig Gartzke and Cindy Gartzke by entering into a Purchase Agreement with the Gartzkes.
- 25. Barry Fell retained a seven-year option to purchase the business back from the Gartzkes and their new partner, William Pearson.
- 26. When Mr. Fell sold his interest in SIH to the Gartzkes and Mr. Pearson, there were two noteworthy hockey clubs using the facility: the Rockets and the Rockettes.
- 27. The Rockets, at its peak, had more children, nearly 500, participating than the Hershey Junior Bears and the Rockettes were one of the first hockey clubs in the mid-state for women.
- 28. On July 2, 1998, Gartzke entered into a business purchase agreement with Twin Ponds and melted the ice at SIH.
- 29. Another youth hockey club, the Keystone Generals, sought ice times in the Harrisburg area.
- 30. The Keystone Generals, Harrisburg Rockets and Harrisburg Rockettes and their players were ready, willing and able to rent ice time from Twin Ponds East.
- 31. The Rockettes relocated to a rink in Lancaster, which caused many members of the club to stop playing and significantly increased travel expenses for those that continued to participate.
- 32. The Rockets simply folded since Twin Ponds already had two hockey clubs playing on their rinks there would not be enough ice time to support a third.

33. The Keystone Generals folded after Twin Ponds was unable to sell ice time to the Keystone Generals.

V. <u>ALLEGED VIOLATIONS</u> <u>TWIN PONDS SPECIFIC CONDUCT</u> CONDUCT RESPECTING ALLOCATION OF MARKETS

- 34. Commonwealth of Pennsylvania hereby incorporates by reference thereto the averments of the preceding paragraphs hereto as if fully set forth herein and further alleges as follows.
- 35. On July 2, 1998, Twin Ponds. Inc., through Reed Patton, entered into a Business Purchase Agreement with SIH. Craig Gartzke, Cindy Gartzke and William Pearson (collectively, "Sellers") for the sale of ice making and ice maintenance equipment.
- 36. In the Business Purchase Agreement, Twin Ponds, Inc., SIH, Craig Gartzke, Cindy Gartzke and William Pearson agreed to allocate the Roller Skating Business market and Indoor Soccer Business market to Susquehanna Ice House, Craig Gartzke, Cindy Gartzke and William Pearson. The Business Purchase Agreement also contained a non-compete clause barring the former owners of Susquehanna Ice House from competing with Twin Ponds in the ice skating business.
- 37. Twin Ponds, through Reed Patton, signed the Restrictive Covenant agreement, as recorded in Book 581, page 936 in the Cumberland County Recorder of Deeds to memorialize the non-compete agreement.
- 38. The Restrictive Covenant Agreement is a deed restriction making the non-compete agreement run unreasonably continuously with the land.

- 39. On July 2, 1998, Twin Ponds, through Reed Patton, demanded and obtained from Craig Gartzke and Cindy Gartzke the assignment of whatever rights, title and interest that Craig Gartzke and Cindy Gartzke may have in the property where Susquehanna Ice House operates as collateral to insure compliance with the agreement not to compete.
- 40. Twin Ponds has not taken possession of all of the ice making equipment under the Business Purchase Agreement. The equipment still remains at Susquehanna Sports Center. The Business Purchase Agreement provided for temporary storage of the equipment at Susquehanna Sports Center, but only for 24 months at maximum.
- 41. The loss of ice and Susquehanna Ice House have restricted the availability of ice time slots, affecting many Pennsylvania Consumers.
- 42. Through its market power gained by the market allocation agreement, Twin Ponds limited access to the ice time slots at Twin Ponds East for hockey practice to the Keystone Generals, Harrisburg Rockets, Harrisburg Rockettes and other teams or players; thus, restricting output.

CRAIG V. GARTZKE'S AND CINDY L. GARTZKE'S SPECIFIC CONDUCT CONDUCT RESPECTING ALLOCATION OF MARKETS

- 43. Commonwealth of Pennsylvania hereby incorporates by reference thereto the averments of the preceding paragraphs hereto as if fully set forth herein and further alleges as follows.
- 44. On July 2, 1998, Craig Gartzke, Cindy Gartzke, SIH and William Pearson entered into a Business Purchase Agreement with Twin Ponds for the sale of ice making and ice maintenance equipment.

- 45. In the Business Purchase Agreement, Craig Gartzke, Cindy Gartzke, SIH, William Pearson and Twin Ponds agreed to allocate the Roller Skating Business market and Indoor Soccer Business market to the Gartzkes/SIH and not to compete with Twin Ponds for the Ice Skating Business.
- 46. Craig Gartzke and Cindy Gartzke both signed the Restrictive Covenant

 Agreement, as recorded in Book 581, page 936 in the Cumberland County Recorder of Deeds to

 memorialize the non-compete agreement.
- 47. The Restrictive Covenant Agreement is a deed restriction making the non-compete agreement run unreasonably continuously with the land.
- 48. The Gartzkes and SIH have not surrendered possession of all of the ice making equipment to Twin Ponds as the Business Purchase Agreement required.
- Patton, the assignment of whatever rights, title and interest that the Gartzkes may have in the property where Susquehanna Ice House operates as collateral to insure compliance with the agreement not to compete.

CHRIS C. HARING'S SPECIFIC CONDUCT CONDUCT RESPECTING ALLOCATION OF MARKETS

- 50. Commonwealth of Pennsylvania hereby incorporates by reference thereto the averments of the preceding paragraphs hereto as if fully set forth herein and further alleges as follows.
- 51. On August 31, 2009, Chris C. Haring entered into an agreement to acquire a 100% interest of Susquehanna Sports Center, Inc. from the Gartzkes.

- 52. The Susquehanna Sports Center purchase agreement contains a provision requiring Chris C. Haring to purchase subject to the non-competition provisions of the July 2, 1998 Business Purchase Agreement and the Restrictive Covenant Agreement.
- 53. By executing the Susquehanna Sports Center purchase agreement,

 Chris C. Haring agreed to allocate the Roller Skating Business market to the Susquehanna Sports

 Center and not to compete with Twin Ponds for the Ice Skating Business.
- 54. By executing the Susquehanna Sports Center purchase agreement,
 Chris C. Haring agreed to the demand of Twin Ponds, through Reed Patton, the assignment of
 whatever rights, title and interest that the Susquehanna Sports Center may have in the property
 where Susquehanna Sports Center operates as collateral to insure compliance with the agreement
 not to compete.

WILLIAM R. GRACE'S AND ELIZABETH A. GRACE'S SPECIFIC CONDUCT CONDUCT RESPECTING ALLOCATION OF MARKETS

- 55. Commonwealth of Pennsylvania hereby incorporates by reference thereto the averments of the preceding paragraphs hereto as if fully set forth herein and further alleges as follows.
- 56. The Graces entered into an agreement to restrict the use of the Bosler Avenue property from being used for an ice skating business, rink or facility as evidenced by their signature to the Restrictive Covenant Agreement on July 2, 1998, as recorded in Book 581, page 936 in the Cumberland County Recorder of Deeds.

- 57. The Restrictive Covenant Agreement is a deed restriction making the non-compete agreement run unreasonably and continually with the land. The Restrictive Covenant Agreement states that the covenants shall "...run with the land perpetually..." unless:
 - a. title to the property vests in Twin Ponds or its successors or assigns
 - Twin Ponds defaults on its non-compete agreement with SIH or the
 Gartzkes, provided that Twin Ponds receives notice and is given ninety
 (90) days to cure the default or reach an agreement resolving the breach.
- 58. The Restrictive Covenant Agreement references the Business Purchase

 Agreement between the Gartzkes. Bill Pearson and Twin Ponds and describes the contents of the Business Purchase agreement to include "an agreement not to compete with the respective business activities of the other" even though SIH, as seller, was not purchasing any assets from Twin Ponds.
- 59. The Graces received "good and valuable" consideration in exchange for his participation in this agreement.
- 60. The Restrictive Covenant Agreement's purpose is to effectuate the terms and conditions of the Business Purchase Agreement.

COUNT I

COMMONWEALTH V. TWIN PONDS, CRAIG V. GARTZKE, CINDY L. GARTZKE, CHRIS C. HARING, WILLIAM R. GRACE AND ELIZABETH A. GRACE, VIOLATION OF COMMON LAW DOCTRINE AGAINST UNREASONABLE RESTRAINT OF TRADE

61. Commonwealth of Pennsylvania hereby incorporates by reference thereto the averments of the preceding paragraphs hereto as if fully set forth herein and further alleges as follows.

- 62. The relevant markets are the provision of facilities for ice skating and ice hockey in the Harrisburg area, the provision of facilities for roller skating and roller hockey in the Harrisburg area, and the provision of facilities for indoor soccer in the Harrisburg area.
- Agreement whereby Twin Ponds allocates the Roller Skating Business market and Indoor Soccer Business market to the Gartzkes and SIH ("Gartzkes/SIH") in return for the purchase of the Susquehanna Ice House Business from the Gartzkes/SIH.
- 64. The Business Purchase Agreement evidences the agreement of the parties, Twin Ponds and the Gartzkes/SIH, to allocate markets.
- 65. The Restrictive Covenant Agreement, as recorded in Book 581, page 936 in the Cumberland County Recorder of Deeds, prohibits the use of the property as an ice skating rink or ice skating or ice hockey business.
- 66. The Restrictive Covenant Agreement was filed and recorded with the Office of the Recorder of Deeds for Cumberland County. Pennsylvania, in Record Book 581, page 936 on July 8, 1998, as evidenced at Record Book 581, page 943.
- 67. Twin Ponds, through Reed Patton, Craig Gartzke and Cindy Gartzke signed both the Business Purchase Agreement and the Restrictive Covenant Agreement.
 - 68. The Graces signed the Restrictive Covenant Agreement.
- 69. Through the August 31, 2009 Susquehanna Sports Center purchase agreement, Chris C. Haring agreed to and adopted the Business Purchase Agreement and the Restrictive Covenant Agreement.

- 70. Both the Business Purchase Agreement and the Restrictive Covenant Agreement constitute *per se* unreasonable restraints of trade in violation of Pennsylvania antitrust common law.
- 71. Unless its overall anticompetitive scheme is enjoined, the Defendants will continue to illegally restrain trade in the relevant markets in concert with another in violation of the Pennsylvania common law doctrine against unreasonable restraints of trade.

COUNT II COMMONWEALTH V. TWIN PONDS VIOLATION OF COMMON LAW DOCTRINE AGAINST MONOPOLIES

- 72. Commonwealth of Pennsylvania hereby incorporates by reference thereto the averments of the preceding paragraphs hereto as if fully set forth herein and further alleges as follows.
- 73. As described above, Defendant knowingly and willingly engaged in conduct to unlawfully obtain monopoly power over ice skating and ice hockey facilities services in the Harrisburg area due to the unlimited duration of the non-compete agreement.
- 74. Unless its overall anticompetitive scheme is enjoined, the Defendant will have illegally created and maintained monopoly power in the relevant market in violation of the Pennsylvania common law doctrine against monopolies.
- 75. Defendant's conduct in unlawfully obtaining and maintaining a monopoly for ice skating and ice hockey facilities services in the Harrisburg area threatens injury to the Plaintiff and the citizens of the Commonwealth of Pennsylvania in their business or property.

COUNT III COMMONWEALTH V. TWIN PONDS VIOLATION OF COMMON LAW DOCTRINE AGAINST SUPPRESSION OF COMPETITION

- 76. Commonwealth of Pennsylvania hereby incorporates by reference thereto the averments of the preceding paragraphs hereto as if fully set forth herein and further alleges as follows.
- 77. The relevant product market is ice skating and ice hockey facilities services in the immediate vicinity of Harrisburg.
- 78. Among the characteristics of ice skating and ice hockey facilities services are:

 (1) indoor ice rink, (2) ice skating equipment shop, (3) ice skating instruction, and (4) ice hockey development.
 - 79. There are no substitutes for ice skating and ice hockey facilities services.
- 80. There is no other ice skating and ice hockey facilities service provider in the immediate vicinity which poses any competitive threat to Twin Ponds.
 - 81. The relevant geographic market is the immediate vicinity of Harrisburg.
 - 82. There are no other competitors in the relevant market.
- 83. Pursuant to its overall anticompetitive scheme, Twin Ponds intends to eliminate any competition such as SIH.
- 84. The effect of the overall anticompetitive scheme of Twin Ponds has been to suppress or lessen competition substantially or to tend to create a monopoly in trade and commerce for ice skating and ice hockey facilities services in the immediate vicinity of

Harrisburg in violation of the Pennsylvania common law doctrine against suppression of competition.

- 85. This scheme threatens loss or damage to the general welfare and economy of the Plaintiff and to the citizens of the Commonwealth of Pennsylvania. The Plaintiff and its citizens will be subject to a continuing and substantial threat of irreparable injury to the general welfare and economy and to competition in the Commonwealth of Pennsylvania unless the Defendants are enjoined from carrying out its overall scheme.
 - 86. The overall scheme has had the following effects, among others:
 - Competition in the provision of ice skating and ice hockey facilities services in the relevant geographic market has been eliminated or suppressed;
 - b. Actual and future competition between Twin Ponds and SIH has been eliminated or suppressed;
 - Costs to participants in Keystone Generals, Rockets and Rockettes
 programs were increased;
 - Innovation and quality of ice skating and ice hockey facilities services has
 decreased to levels below those that would prevail absent the overall
 scheme;
 - e. Depriving others of the right to provide ice skating and ice hockey facilities services in the Harrisburg area;
 - f. Depriving the public of the benefits of fair competition for ice skating and ice hockey facilities services;

- g. Enhancing its own interests at the expense of the legal rights of others; namely, the citizens of the Commonwealth; and
- h. Interfering with the interests of the public.

VII. REQUEST FOR RELIEF

WHEREFORE, the Commonwealth prays that:

- (1) the Court issue a Judgment in its favor and against Defendants;
- (2) the Court issue a permanent injunction to void the Business Purchase Agreement between defendants, Twin Ponds, Inc., Susquehanna Ice House. Inc. and its successors and assigns, Susquehanna Sports Center, Inc., Chris C. Haring, Craig V. Gartzke and Cindy L. Gartzke;
- (3) the Court issue a permanent injunction to void the Restrictive Covenant

 Agreement between defendants, Twin Ponds, Inc., Susquehanna Ice House. Inc. and its
 successors and assigns, Susquehanna Sports Center, Inc., Chris C. Haring, Craig V. Gartzke,
 Cindy L. Gartzke, William R. Grace and Elizabeth A. Grace;
- (4) the Court issue a permanent injunction to require defendants, Twin Ponds, Inc., Susquehanna Ice House. Inc. and its successors and assigns. Susquehanna Sports Center, Inc., Chris C. Haring, Craig V. Gartzke, Cindy L. Gartzke, William R. Grace and Elizabeth A. Grace, to rescind the deed restriction;
- (5) On behalf of Pennsylvania Consumers, disgorgement by Defendants and each of them, of all profits and gain earned in whole or in part through the anticompetitive acts or practices complained of herein;

- (6) On behalf of Pennsylvania Consumers, compensatory damages;
- (7) Attorneys fees, expert witness fees, costs of investigation and other reasonably-related costs, including court costs, litigation expenses and fees;
- (8) The entry of an Order permanently enjoining each and every Defendant from continuing the anticompetitive acts or practices complained of herein and requiring corrective measures; and
 - (9) Such other and further relief as the Court deems just and appropriate.

Dated: September 10, 2010

Respectfully submitted,

TOM CORBETT Attorney General

By:

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