AG Jepsen: Connecticut Joins Federal Settlement with AMC, Starplex
Requiring Divestiture of Berlin Movie Theater

Connecticut has joined the Department of Justice (DOJ) in a complaint and proposed settlement with AMC Entertainment Holdings, Inc. (AMC) and SMH Theaters, Inc. (Starplex Cinemas) to resolve concerns that AMC’s purchase of a Connecticut Starplex theater would substantially harm competition for Connecticut consumers, Attorney General George Jepsen said today.

"Competition is essential to a healthy marketplace in which consumers are able to find the best quality, prices and services," said Attorney General Jepsen. "As attorney general, it is my responsibility to help ensure a fair and competitive marketplace, and I’m pleased to partner with our law enforcement colleagues at the DOJ in that effort. This settlement will help to maintain a competitive market and the best-possible service for Connecticut consumers who frequent first-run movie theaters in Berlin and its surrounding towns."

In July 2015, AMC and Starplex Cinemas entered into a definitive purchase agreement for AMC to acquire Starplex. AMC is the second largest commercial movie exhibitor in the United States, with 347 locations and 4,972 screens across the country, including two theaters in Connecticut: AMC Lowes in Danbury and AMC Plainville 20 in Plainville. Starplex Cinemas is an independent, privately held commercial movie exhibitor operating 33 theaters with 346 screens in 12 states, including two theaters in Connecticut: Berlin 12 in the Kensington section of Berlin and Southington 12 in Southington.

In their complaint, Connecticut and the DOJ allege that the Berlin market is concentrated and that AMC and Starplex Cinemas are the other’s most significant competitor, given their close proximity. Moviegoers, the complaint alleges, are not willing to travel far from their home to attend a movie; therefore, geographic markets are relatively local. The AMC Plainville 20 and Starplex’s Berlin 12 theaters are approximately eight miles apart. Their competitive rivalry, the complaint alleges, spurs each other to improve the quality of its theater and keeps ticket prices in check. Were AMC to acquire both the Berlin 12 and the Southington 12 theaters, they allege, the acquisition would result in a substantial lessening of competition in the Berlin market.

The agreement with Connecticut and the DOJ – which will require the approval of the U.S. District Court for the District of Columbia – will require that the Berlin 12 theater in Berlin be sold as part of the acquisition, which will help to maintain a competitive market and the best-possible service for Connecticut consumers. The agreement also requires the divestiture of a theater in New Jersey.

Assistant Attorney General Michael Cole, chief of the Antitrust and Government Program Fraud Department, assisted the Attorney General with this matter.

Please click here to view the complaint and proposed final judgment filed in this case.

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