

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

**NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY**

Pursuant to the Local Rules Governing Duties of Magistrate Judges, the following Magistrate Judge has been designated to hear discovery motions for this case at the discretion of the assigned District Judge:

**(MANx)**

- |  |   |
|--|---|
| <input type="checkbox"/> Paul L. Abrams      | <input type="checkbox"/> Jennifer T. Lum              |
| <input type="checkbox"/> Robert N. Block     | <input type="checkbox"/> James W. McMahon             |
| <input type="checkbox"/> Rosalyn M. Chapman  | <input checked="" type="checkbox"/> Margaret A. Nagle |
| <input type="checkbox"/> Charles Eick        | <input type="checkbox"/> Arthur Nakazato              |
| <input type="checkbox"/> Rita Coyne Federman | <input type="checkbox"/> Fernando M. Olguin           |
| <input type="checkbox"/> Paul Game           | <input type="checkbox"/> Suzanne H. Segal             |
| <input type="checkbox"/> Marc Goldman        | <input type="checkbox"/> Carolyn Turchin              |
| <input type="checkbox"/> Stephen J. Hillman  | <input type="checkbox"/> Patrick J. Walsh             |
| <input type="checkbox"/> Jeffrey W. Johnson  | <input type="checkbox"/> Andrew J. Wistrich           |
| <input type="checkbox"/> Victor B. Kenton    | <input type="checkbox"/> Carla Woehrlé                |
| <input type="checkbox"/> Stephen G. Larson   | <input type="checkbox"/> Ralph Zarefsky               |

Upon the filing of a discovery motion, the motion will be presented to the United States District Judge for consideration and may thereafter be referred to the Magistrate Judge for hearing and determination. The Magistrate Judge's initials should be used on all documents filed with the Court so that the case number reads as follows:

**CV05- 7533 FMC (MANx)**

===== :  
**NOTICE TO COUNSEL**

*A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).*

Subsequent documents must be filed at the following location:

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> <b>Western Division</b><br>312 N. Spring St., Rm. G-8<br>Los Angeles, CA 90012 | <input type="checkbox"/> <b>Southern Division</b><br>411 West Fourth St., Rm. 1-053<br>Santa Ana, CA 92701-4516 | <input type="checkbox"/> <b>Eastern Division</b><br>3470 Twelfth St., Rm. 134<br>Riverside, CA 92501 |
|--|---|--|

Failure to file at the proper location will result in your documents being returned to you.

**United States District Court**

Central District of California

SPACE EXPLORATION TECHNOLOGIES CORPORATION,

**SUMMONS IN A CIVIL CASE**

V.

CASE NUMBER:

THE BOEING COMPANY and LOCKHEED MARTIN CORPORATION,

**CV05-7533 FMC (MANX)**

**TO:** (Name and address of Defendant)

**YOU ARE HEREBY SUMMONED** and required to serve on PLAINTIFF'S ATTORNEY (name and address)

CHARLES S. BARQUIST (CA BAR NO. 133785)  
ANTHONY L. PRESS (CA BAR NO. 125027)  
STEVEN M. HAINES (CA BAR NO. 166677)  
MORRISON & FOERSTER LLP  
555 WEST FIFTH ST., 35TH FLOOR  
LOS ANGELES, CA 90013

an answer to the complaint which is served on you with this summons, within TWENTY days after service of this summons on you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. Any answer that you serve on the parties to this action must be filed with the Clerk of this Court within a reasonable period of time after service.

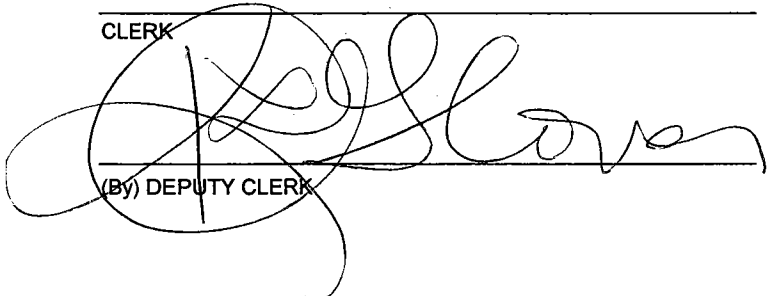
SHERRI R. CARTER

OCT 19 2005

CLERK

DATE

(By) DEPUTY CLERK



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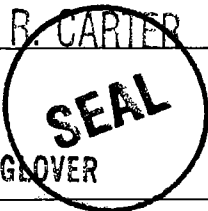
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SHERRI B. CARTER

CLERK



KERRI GLOVER

(By) DEPUTY CLERK

**OCT 19 2005**

DATE

**COPY**

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16 Attorneys for Plaintiff  
17 SPACE EXPLORATION TECHNOLOGIES  
18 CORPORATION

19 UNITED STATES DISTRICT COURT

20 CENTRAL DISTRICT OF CALIFORNIA

21 SPACE EXPLORATION  
22 TECHNOLOGIES  
23 CORPORATION,

24 Plaintiff,

25 v.

26 THE BOEING COMPANY and  
27 LOCKHEED MARTIN  
28 CORPORATION,

Defendants.

Case No. CV **C V 05 - 7533 FMC** (MAX)

**COMPLAINT FOR:**

1. Violation of Section 1 of the Sherman Act;
2. Violation of Section 2 of the Sherman Act;
3. Violation of Section 7 of the Clayton Act;
4. Violation of Racketeer Influenced and Corrupt Organizations Act;
5. RICO Conspiracy;
6. Violation of the Cartwright Act (Unreasonable Restraint of Trade);
7. Violation of the Cartwright Act (Conspiracy to Monopolize);
8. Violation of Section 17200 of Cal. Bus. & Prof. Code

**DEMAND FOR JURY TRIAL**

## INTRODUCTION

1  
2           1.     This is an action by Space Exploration Technologies Corporation  
3 (“SpaceX”) against The Boeing Company and Lockheed Martin Corporation for  
4 violations of antitrust, unfair competition and racketeering laws. Boeing and  
5 Lockheed Martin have engaged in an unlawful conspiracy to eliminate competition  
6 in, and ultimately to monopolize, the government space launch business and  
7 prevent SpaceX and other potential new entrants from competing in that business.

8           2.     In 1995, the U.S. Government began a multi-billion dollar space  
9 program, designed to improve the nation’s access to space by making space launch  
10 vehicles more affordable and reliable. This government program, known as  
11 Evolved Expendable Launch Vehicle (or “EELV”), is administered by the U.S. Air  
12 Force, which awards lucrative contracts to private companies that provide EELV  
13 launch vehicles and related launch services to the government.

14           3.     Boeing and Lockheed Martin have dominated the EELV business.  
15 They are currently the only companies with contracts through the EELV program  
16 and the only companies being paid through the EELV program for EELV launch  
17 services. Boeing and Lockheed Martin have benefited handsomely from these  
18 contracts, and they stand to receive a steady stream of revenue under these contracts  
19 in the future. Boeing and Lockheed Martin, therefore, have had and continue to  
20 have a strong incentive to ensure that they remain the only companies that are  
21 awarded EELV contracts.

22           4.     SpaceX poses a significant threat to Boeing and Lockheed Martin’s  
23 dominant position. It has developed new technologies and a new business model  
24 that will allow it to reduce dramatically the cost of access to space and increase the  
25 reliability of launch vehicles. The rockets being developed by SpaceX will perform  
26 better, and will be much less expensive, than those offered by Boeing or Lockheed  
27 Martin.

1           5.     Boeing and Lockheed Martin have responded to this threat by  
2 conspiring to act together to keep competitors such as SpaceX out of the market and  
3 to maintain their dominant position. In furtherance of this agreement, Boeing and  
4 Lockheed Martin have engaged in a group boycott and concerted refusal to deal  
5 with the Air Force unless the Air Force agreed to deal with them on common terms  
6 and exclude all other competitors, including SpaceX. They have also used  
7 strong-arm tactics to demand that the Air Force grant them exclusive long-term  
8 contracts, which provide that only Boeing and Lockheed Martin will provide EELV  
9 services to the government through fiscal year 2011 and possibly longer. They now  
10 propose to formally consolidate their monopoly position by forming a joint venture  
11 that will combine their EELV launch businesses into a single entity.

12           6.     Boeing and Lockheed Martin also have shut SpaceX and potential  
13 competitors out of the business by corrupting the government procurement process  
14 for awarding EELV contracts. The Air Force found that Boeing was stealing  
15 proprietary and trade secret information from Lockheed Martin and using that  
16 information to prepare EELV contract bids. As a result, competitive bidding on the  
17 merits was eliminated from the procurement process and, instead, the Air Force has  
18 adopted an acquisition policy that awards all EELV launch contracts on a  
19 noncompetitive basis to Boeing and Lockheed Martin. This prevents SpaceX from  
20 competing on the merits of its superior cost structure and advanced technologies.

21           7.     SpaceX has suffered significant injury from Boeing and Lockheed  
22 Martin's coordinated efforts to exclude competition from SpaceX (and others) and  
23 to monopolize the EELV business. Their conduct has also injured competition,  
24 other competitors, the U.S. Government and taxpayers. By this action, SpaceX  
25 seeks compensatory damages, treble damages, and injunctive relief to put an end to  
26 Boeing and Lockheed Martin's anticompetitive and exclusionary conduct and their  
27 ongoing efforts to keep SpaceX out of the market.

28





1 businesses into a single monopoly named the United Launch Alliance (the “ULA”)  
2 to strengthen their stranglehold on the market.

3 17. Boeing and Lockheed Martin’s agreement to merge their government  
4 EELV businesses into the monopoly ULA, and their coordinated efforts to maintain  
5 their dominant positions through actions designed to preclude competition in the  
6 EELV market – including competition from SpaceX – have destroyed any pretense  
7 of competition in the sale of EELVs to the government, and have thereby directly  
8 caused significant injury to competition and to SpaceX, its employees and  
9 shareholders.

10 18. Boeing and Lockheed Martin’s anticompetitive conspiracy and  
11 conduct – which eliminate competition between themselves and further preclude  
12 the possibility of competition from third parties – also have injured, and will  
13 continue to injure, U.S. taxpayers and the U.S. Government. Absent competitive  
14 pressures of any sort, Defendants’ space launch prices will continue to escalate and  
15 their reliability will continue to deteriorate.

16 19. Because the U.S. Air Force (acting on behalf of the U.S. Government)  
17 is the single largest purchaser of EELVs, exclusion from the sale of EELVs to the  
18 Air Force has the effect of making it extremely difficult, if not impossible, to  
19 develop the economies of scale necessary to compete successfully over time in the  
20 sale of EELVs to other government agencies and commercial customers.

21 20. In addition, many commercial customers develop and configure launch  
22 payloads, such as satellites with specific design and integration elements,  
23 specifically for launch by EELVs. Accordingly, exclusion from the EELV market  
24 also has the direct effect of precluding competitors, including SpaceX, from  
25 competing effectively for the sale of launch services to commercial customers.  
26 SpaceX has been, and will continue to be, injured by this reduction in competition  
27 and its exclusion from the sale of EELVs to commercial customers.

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