

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

COMMISSIONERS: Robert Pitofsky, Chairman
 Mary L. Azcuenaga
 Janet D. Steiger
 Roscoe B. Starek, III
 Christine A. Varney

In the Matter of)	
)	
)	
KONINKLIJKE AHOLD NV,)	Docket No: C-3687
a corporation; and)	DECISION AND ORDER
)	
AHOLD USA, INC.,)	
a corporation.)	
)	
)	

The Federal Trade Commission having initiated an investigation of the proposed acquisition by Koninklijke Ahold nv and Ahold USA, Inc. (hereinafter collectively "respondents") of the voting securities of The Stop & Shop Companies, Inc. ("Stop & Shop"), and respondents having been furnished with a copy of a draft complaint that the Bureau of Competition proposed to present to the Commission for its consideration, and which, if issued by the Commission, would charge respondents with violations of the Clayton Act and Federal Trade Commission Act; and Respondents, their attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments filed thereafter by interested persons pursuant to § 2.34 of its Rules, now in further conformity with the procedure prescribed in § 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Koninklijke Ahold nv ("Royal Ahold") is a corporation organized, existing and doing business under and by virtue of the laws of The Netherlands, with its executive offices located at Albert Heijnweg 1, 1507 EH Zaandam, The Netherlands.

2. Respondent Ahold USA, Inc. ("Ahold USA"), a wholly-owned subsidiary of Royal Ahold, is a corporation organized, existing and doing business under and by virtue of the laws of Delaware, with its executive offices at One Atlanta Plaza, 950 East Paces Ferry Road, Suite 2575, Atlanta, GA 30326.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of respondents, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

A. "Royal Ahold" means Koninklijke Ahold nv, its predecessors, subsidiaries, divisions, and groups and affiliates controlled by Koninklijke Ahold nv, their successors and assigns, and their directors, officers, employees, agents, and representatives.

B. "Ahold USA" means Ahold USA, Inc., its predecessors, subsidiaries, divisions, and groups and affiliates controlled by Ahold USA, Inc., their successors and assigns, and their directors, officers, employees, agents, and representatives.

C. "Respondents" means Royal Ahold and Ahold USA.

D. "Assets to be Divested" means the supermarkets identified in Paragraph II.A. of this Order as well as the

supermarket business operated, and all assets, leases, properties, business and goodwill, tangible and intangible, utilized in the supermarket operations at those locations, but need not include the "Stop & Shop" or "Edwards" trade names, trade dress, trade marks, service marks, and such other intangible assets that Respondents also utilize in their business at locations other than those identified in Paragraph II.A. of this Order.

E. "Commission" means the Federal Trade Commission.

F. "Acquisition" means Royal Ahold's proposed purchase of all the voting stock of Stop & Shop pursuant to an agreement dated on or about March 27, 1996.

G. "Supermarket" means a full-line retail grocery store with annual sales of at least two million dollars that carries a wide variety of food and grocery items in particular product categories, including bread and dairy products; refrigerated and frozen food and beverage products; fresh and prepared meats and poultry; produce, including fresh fruits and vegetables; shelf-stable food and beverage products, including canned and other types of packaged products; staple foodstuffs, which may include salt, sugar, flour, sauces, spices, coffee, and tea; and other grocery products, including nonfood items such as soaps, detergents, paper goods, and other household products.

H. "Overlap Areas" means the following incorporated towns and cities:

- a) New Milford, Connecticut;
- b) Windham and Mansfield, Connecticut;
- c) Wallingford and Meriden, Connecticut;
- d) Waterbury, Watertown, and Naugatuck, Connecticut;
- e) "the greater Hartford, Connecticut, area," which includes Hartford, New Britain, Newington, Wethersfield, Farmington, West Hartford, Bloomfield, Windsor, South Windsor, East Hartford, Manchester, Glastonbury, and Vernon, Connecticut;
- f) Avon and Simsbury, Connecticut;
- g) Enfield, Somers, East Windsor, Suffield, and Windsor Locks, Connecticut;

- h) Southington and Plainville, Connecticut;
- i) Milford, Orange, West Haven, and New Haven, Connecticut;
- j) East Haven, Branford, Guilford, Madison, Clinton, and Old Saybrook, Connecticut;
- k) Fairfield, Stratford, Bridgeport, Trumbull, and Shelton, Connecticut;
- l) South Kingstown and Narragansett, Rhode Island;
- m) "the greater Providence, Rhode Island, area," which includes East Providence, Providence, Pawtucket, Warwick, Cranston, Central Falls, Lincoln, Smithfield, Barrington, Bristol, Cumberland, North Providence, Johnston, West Warwick, East Greenwich, and Coventry, Rhode Island; and Attleboro and Seekonk, Massachusetts; and
- n) "the greater Springfield, Massachusetts, area," which includes Springfield, West Springfield, South Hadley, Chicopee, Westfield, Holyoke, Agawam, Southwick, Longmeadow, and East Longmeadow, Massachusetts.

II.

IT IS FURTHER ORDERED that:

A. Respondents shall divest, absolutely and in good faith, within thirty (30) days from the date this Order becomes final:

1) to Star Markets Company in a manner approved by the Commission:

a) Edwards supermarket number 821 located at 295 Armistice Boulevard, Pawtucket, RI;

b) Edwards supermarket number 751 located at 200 Niantic Avenue, Providence, RI;

c) Edwards supermarket number 815 located at 1810 Plainfield Pike, Cranston, RI;

d) Edwards supermarket number 817 located at 418 Kingstown Road, Wakefield, RI;

e) Edwards supermarket number 779 located at 1401 Bald Hill Road, Warwick, RI;

f) Edwards supermarket number 820 located at 1000 Division Street, East Greenwich, RI; and

g) Stop & Shop supermarket number 458 located at Route 6 & 1 Commercial Way, Seekonk, MA.

2) to Bozzuto's Inc. in a manner approved by the Commission:

a) Edwards supermarket number 295 located at 207 Hartford Turnpike, Vernon, CT;

b) Edwards supermarket number 362 located at Newbrite Plaza, 60 East Main Street, New Britain, CT;

c) Edwards supermarket number 748 located at 333 North Main Street, West Hartford, CT; and

d) Edwards supermarket number 768 located at 750 Queen Street, Southington, CT.

3) to Shaw's Supermarkets, Inc., pursuant to a purchase and sale agreement dated September 20, 1996:

- a) Edwards supermarket number 725 located at 40 Hazard Avenue, Enfield, CT;
 - b) Edwards supermarket number 742 located at 953 Wolcott Road, Waterbury, CT;
 - c) Edwards supermarket number 758 located at 538 Boston Post Road, Orange, CT;
 - d) Edwards supermarket number 773 located at 875 Bridgeport Avenue, Shelton, CT;
 - e) Stop & Shop supermarket number 665 located at 55 Welles Street, Glastonbury, CT;
 - f) Edwards lease agreement for premises located in the former Rich's Department Store, Wakefield Mall, Tower Hill Road, South Kingstown, RI;
 - g) Edwards supermarket number 312 located at 1100 Barnum Avenue, Stratford, CT;
 - h) Edwards lease agreement for the former Grand Union store site located at 800 Barnum Avenue, Stratford, CT;
 - i) Edwards supermarket number 200 located at 1975 Black Rock Turnpike, Fairfield, CT;
 - j) Edwards supermarket number 299 located at 1167 Main Street, Watertown, CT;
 - k) Edwards supermarket number 823 located at 266 East Main Street, Clinton, CT;
 - l) Edwards supermarket number 749 located at 60 Cantor Drive, Willimantic, CT;
 - m) Edwards supermarket number 783 located at 245 Kane Street, West Hartford, CT; and
 - n) Edwards supermarket number 317 located at 976 North Colony Road, Wallingford, CT.
- 4) to Big Y Foods, Inc., pursuant to a purchase and sale agreement dated September 26, 1996:
- a) Edwards supermarket number 728 located at 830 Boston Post Road, Guilford, CT;

- b) Edwards supermarket number 722 located at 650 Memorial Drive, Chicopee, MA;
- c) Edwards supermarket number 704 located at West Main Route 44, Avon, CT;
- d) Edwards supermarket number 368 located at 3 Kent Road, New Milford, CT; and
- e) Edwards supermarket number 329 located at 265 Ellington Road, East Hartford, CT.

B. If Respondents have not divested the Assets to be Divested pursuant to Paragraph II.A., Respondents shall divest the Assets to be Divested within thirty (30) days from the date this Order becomes final to an acquirer or acquirers that receive the prior approval of the Commission and only in a manner that receives the prior approval of the Commission.

C. The purpose of the divestiture of the Assets to be Divested is to ensure the continuation of the Assets to be Divested as ongoing viable enterprises engaged in the Supermarket business and to remedy any lessening of competition resulting from the Acquisition as alleged in the Commission's complaint.

III.

IT IS FURTHER ORDERED that:

A. If Respondents have not divested absolutely and in good faith the Assets to be Divested pursuant to Paragraph II. of this Order, the Commission may appoint a trustee to divest the Assets to be Divested. In the event that the Commission brings an action pursuant to § 5(1) of the Federal Trade Commission Act, 15 U.S.C. § 45(1), or any other statute enforced by the Commission, Respondents shall consent to the appointment of a trustee in such action. Neither the appointment of a trustee nor a decision not to appoint a trustee under this Paragraph shall preclude the Commission from seeking civil penalties or any other relief available to it, including a court-appointed trustee pursuant to § 5(1) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by Respondents to comply with this Order.

B. If a trustee is appointed by the Commission or a court pursuant to Paragraph III.A. of this Order, Respondents shall consent to the following terms and conditions regarding the trustee's powers, duties, authority, and responsibilities:

1. The Commission shall select the trustee, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed trustee within ten (10) days after receipt of written notice by the staff of the Commission to Respondents of the identity of any proposed trustee, Respondents shall be deemed to have consented to the selection of the proposed trustee.

2. Subject to the prior approval of the Commission, the trustee shall have the exclusive power and authority to divest the Assets to be Divested.

3. Within ten (10) days after appointment of the trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission, and in the case of a court-appointed trustee, of the court, transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestiture required by this Order.

4. The trustee shall have twelve (12) months from the date the Commission approves the trust agreement described in Paragraph III.B.3. to accomplish the divestiture, which

shall be subject to the prior approval of the Commission. If, however, at the end of the twelve (12) month period, the trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Commission, or in the case of a court-appointed trustee, by the court; provided, however, the Commission may extend this period only two (2) times for up to six (6) months each time.

5. The trustee shall have full and complete access to the Assets to be Divested and to the personnel, books, records and facilities related to the Assets to be Divested or to any other relevant information, as the trustee may reasonably request. Respondents shall develop such financial or other information as such trustee may reasonably request and shall cooperate with the trustee. Respondents shall take no action to interfere with or impede the trustee's accomplishment of the divestiture. Any delays in divestiture caused by Respondents shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed trustee, by the court.

6. The trustee shall use his or her best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest at no minimum price. The divestitures shall be made to an acquirer or acquirers that receive the prior approval of the Commission and only in a manner that receives the prior approval of the Commission. In the event that the trustee receives bona fide offers from more than one acquiring entity, the trustee shall submit all such bids to the Commission, and if the Commission determines to approve more than one such acquiring entity for the Assets to be Divested, the trustee shall divest to the acquiring entity or entities selected by Respondents from among those approved by the Commission.

7. In the event the trustee determines that he or she is unable to divest the Assets to be Divested as described in Paragraph II in a manner consistent with the terms of this Order, the trustee may on his or her own initiative, or at the direction of the Commission, divest any additional or substitute supermarkets of the Respondents located in the respective overlap areas and effect such arrangements as are necessary to satisfy the requirements of this Order.

8. The trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as the Commission or a court may set. The trustee shall have the authority to employ, at the cost and expense of Respondents, and at reasonable fees, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the trustee's duties and responsibilities. The trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission and, in the case of a court-appointed trustee, by the court, of the account of the trustee, including fees for his or her services, all remaining monies shall be paid at the direction of the Respondents, and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent on the trustee's divesting the Assets to be Divested, and may include an incentive arrangement relating to price.

9. Respondents shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trustee's duties, all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.

10. If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in Paragraph III.A. of this Order.

11. The Commission or, in the case of a court-appointed trustee, the court, may on its own initiative or at the request of the trustee issue such additional Orders or directions as may be reasonably necessary or appropriate to accomplish the divestiture required by this Order.

12. The trustee shall have no obligation or authority to operate or maintain the Assets to be Divested.

13. The trustee shall report in writing to Respondents and the Commission every forty-five (45) days concerning the trustee's efforts to accomplish divestiture.

IV.

IT IS FURTHER ORDERED that:

A. Pending divestiture of the Assets to be Divested, Respondents shall take such actions as are necessary to maintain the viability, competitiveness, and marketability of the Assets to be Divested consistent with Paragraphs II. and III. of this Order and to prevent the destruction, removal, wasting, deterioration, or impairment of the Assets to be Divested except in the ordinary course of business and except for ordinary wear and tear.

B. Respondents shall comply with all the terms of the Asset Maintenance Agreement attached to this Order and made a part hereof as Appendix I. The Asset Maintenance Agreement shall continue in effect until such time as all Assets to be Divested have been divested as required by this Order.

V.

IT IS FURTHER ORDERED that, for a period of ten (10) years from the date this Order becomes final, Respondents shall not, without providing advance written notification to the Commission, directly or indirectly, through subsidiaries, partnerships, or otherwise:

A. Acquire any ownership or leasehold interest in any facility that has operated as a supermarket within six (6) months of the date of such proposed acquisition in the Overlap Areas; or

B. Acquire any stock, share capital, equity, or other interest in any entity that owns any interest in or operates any supermarket or owned any interest in or operated any supermarket within six (6) months of such proposed acquisition in the Overlap Areas.

Provided, however, that advance written notification shall not apply to the construction of new facilities by Respondents or the acquisition of or leasing of a facility that has not operated as a supermarket within six (6) months of Respondents' offer to purchase or lease.

Said notification shall be given on the Notification and Report Form set forth in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations as amended (hereinafter referred to as "the Notification"), and shall be prepared and transmitted in accordance with the requirements of that part, except that no filing fee will be required for the Notification. The

Notification shall be filed with the Secretary of the Commission and need not be made to the United States Department of Justice. The Notification is required only of Respondents and not of any other party to the transaction. Respondents shall provide the Notification to the Commission at least thirty days prior to acquiring any such interest (hereinafter referred to as the "first waiting period"). If, within the first waiting period, representatives of the Commission make a written request for additional information, Respondents shall not consummate the transaction until twenty days after substantially complying with such request for additional information. Early termination of the waiting periods in this Paragraph may be requested and, where appropriate, granted by letter from the Bureau of Competition. Provided, however, that prior notification shall not be required by this Paragraph for a transaction for which notification is required to be made, and has been made, pursuant to Section 7A of the Clayton Act, 15 U.S.C. § 18a.

VI.

IT IS FURTHER ORDERED that Respondents shall be bound by the terms and obligations of the Consent Order issued by the Commission in *The Stop & Shop Companies, Inc., et al.*, Docket No. C-3649.

VII.

IT IS FURTHER ORDERED that:

A. Within forty-five (45) days after the date this Order becomes final and every forty-five (45) days thereafter until Respondents have fully complied with the provisions of Paragraphs II. or III. of this Order, Respondents shall submit to the Commission verified written reports setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with Paragraphs II. and III. Respondents shall include in their compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with Paragraphs II. and III. of the Order, including a description of proposals for divestitures and the identity of all parties contacted. Respondents shall include in their compliance reports copies of all written communications to and from such parties concerning divestiture.

B. One year (1) from the date this Order becomes final, annually for the next nine (9) years on the anniversary of the date this Order becomes final, and at other times as the Commission may require, Respondents shall file verified written reports with the Commission setting forth in detail the manner and form in which they have complied and are complying with this Order.

VIII.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in Respondents such as dissolution, assignment, sale resulting in the emergence of a successor corporation to Respondents, or the creation or dissolution of subsidiaries or any other change in Respondents that may affect compliance obligations arising out of the Order.

IX.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, Respondents shall permit any duly authorized representative of the Commission:

A. Upon five days' written notice to Respondents, access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Respondents relating to any matters contained in this Order; and

B. Upon five days' written notice to Respondents and without restraint or interference from Respondents, to interview Respondents or officers, directors, or employees of Respondents in the presence of counsel.

By the Commission.

Donald S. Clark
Secretary

SEAL:

ISSUED: September 30, 1996

[Appendix I (Asset Maintenance Agreement) attached to paper copies of Decision & Order, but not available in electronic form]