

## **ANALYSIS OF THE DRAFT COMPLAINT AND PROPOSED CONSENT ORDER TO AID PUBLIC COMMENT**

### **I. Introduction**

The Federal Trade Commission ("Commission") has accepted for public comment from Albertson's, Inc. ("Albertson's") and American Stores Company ("American Stores") (collectively "the Proposed Respondents") an Agreement Containing Consent Order ("the proposed consent order"). The Proposed Respondents have also reviewed a draft complaint that the Commission contemplates issuing. The proposed consent order is designed to remedy likely anticompetitive effects arising from Albertson's proposed stock-for-stock acquisition of all of the outstanding securities of American Stores.

### **II. Description of the Parties and the Proposed Acquisition**

Albertson's, a Delaware corporation headquartered in Boise, Idaho, operates approximately 994 supermarkets in 25 Western, Midwestern, and Southern states. Albertson's supermarkets operate primarily under the "Albertson's," "Max Grocery Warehouse," "Seessel's" and "Smitty's" trade names. Albertson's competes with American Stores in California, Nevada and New Mexico. Albertson's operates 177 supermarkets in California, 31 supermarkets in Nevada, and 19 supermarkets in New Mexico. Albertson's total sales for the fiscal year that ended on January 28, 1999, were approximately \$16.0 billion. Albertson's is the fourth largest supermarket chain in the United States, based on total sales. After the merger with American Stores, Albertson's will become the second largest supermarket chain in the United States.

American Stores, a Delaware corporation headquartered in Salt Lake City, Utah, operates approximately 802 supermarkets and 773 stand-alone pharmacies in 31 states. American Stores operates supermarkets, including combination supermarket and pharmacies, in 12 Western,

Midwestern and Eastern states under the “Lucky,” “Lucky Sav-On,” “SuperSaver,” “Acme Markets,” and “Jewel Food Stores” trade names. American Stores operates approximately 411 supermarkets in California, 25 supermarkets in Nevada, and 11 supermarkets in New Mexico. These American Stores supermarkets are all in the company’s Lucky Division and operate under the “Lucky,” “SuperSaver” and “Lucky Sav-On” trade names. American Stores’ total sales for the fiscal year that ended on January 30, 1999, were \$19.9 billion. Based on total sales, American Stores is the second largest supermarket chain in the United States.

On August 2, 1999, Albertson’s, Abacus Holdings, Inc. (“Abacus”), a wholly owned subsidiary of Albertson’s, and American Stores entered into an Agreement and Plan of Merger pursuant to which Abacus will acquire all of the outstanding securities of American Stores. Under the merger agreement, Abacus will convert the American Stores stock into Albertson’s stock based on a 0.63 exchange rate. As a result, 100 shares of American Stores stock will be converted to 63 shares of Albertson’s stock. The transaction, at the time it was negotiated, had a total value of approximately \$11.7 billion, including an equity value of \$8.3 billion and debt of \$3.4 billion. Today, the acquisition is valued at approximately \$13 billion.

### **III. The Draft Complaint**

The draft complaint alleges that the relevant line of commerce (*i.e.*, the product market) is the retail sale of food and grocery items in supermarkets. Supermarkets provide a distinct set of products and services for consumers who desire to one-stop shop for food and grocery products. Supermarkets carry a full line and wide selection of both food and nonfood products (typically more than 10,000 different stock-keeping units (“SKUs")), as well as a deep inventory of those SKUs in a variety of brand names and sizes. In order to accommodate the large number of food

and nonfood products necessary for one-stop shopping, supermarkets are large stores that typically have at least 10,000 square feet of selling space. Supermarkets in California, Nevada and New Mexico tend to have at least 20,000 square feet and carry at least 20,000 SKUs.

Supermarkets compete primarily with other supermarkets that provide one-stop shopping for food and grocery products. Supermarkets base their food and grocery prices on the prices primarily of food and grocery products sold at nearby supermarkets. Supermarkets do not regularly price-check food and grocery products sold at other types of stores such as club stores or limited assortment stores, and do not significantly change their food and grocery prices in response to prices at other types of stores. Most consumers shopping for food and grocery products at supermarkets are not likely to shop elsewhere in response to a small price increase by supermarkets.

Retail stores other than supermarkets that sell food and grocery products, such as neighborhood "mom & pop" grocery stores, limited assortment stores, convenience stores, specialty food stores (*e.g.*, seafood markets, bakeries, etc.), club stores, military commissaries, and mass merchants, do not effectively constrain most prices at supermarkets. These other stores operate significantly different retail formats and sell far more limited assortments of items. None of these stores offers a supermarket's distinct set of products and services that enable consumers to one-stop shop for food and grocery products.

The draft complaint alleges that the relevant sections of the country (*i.e.*, the geographic markets) in which to analyze the acquisition are the areas in and near the following cities and towns: (a) Antioch/Pittsburg, California; (b) Apple Valley/Hesperia/Victorville, California; (c) Atascadero, California; (d) Auburn, California; (e) Greater Bakersfield, California;

(f) Claremont/Pomona/Rancho Cucamonga, California; (g) Danville/San Ramon/Dublin/Pleasanton, California; (h) Davis, California; (i) Encinitas, California; (j) Escondido, California; (k) Fallbrook, California; (l) Grass Valley, California; (m) Grover City/Arroyo Grande, California; (n) Jackson, California; (o) La Mesa/El Cajon, California; (p) Laguna Beach, California; (q) Lancaster/Palmdale, California; (r) Livermore, California; (s) Lompoc, California; (t) Monterey/Seaside/Del Rey Oaks/Pacific Grove, California; (u) Moorpark, California; (v) Morro Bay/Los Osos, California; (w) Murrieta/Temecula, California; (x) Napa, California; (y) Northern Covina, California, an area that includes Azusa, Baldwin Park, Charter Oak, Citrus, Covina, Glendora, La Puente, Valinda, Vincent, West Covina, and West Puente; (z) Oceanside/Vista/Carlsbad, California; (aa) Oxnard, California; (bb) Palm Springs/Indio, California; (cc) Paso Robles, California; (dd) Petaluma, California; (ee) Poway/North San Diego, California; (ff) Ramona, California; (gg) Redlands, California; (hh) Rialto/Fontana, California; (ii) Riverside/Corona, California; (jj) Greater Sacramento, California, and narrower markets contained therein; (kk) Salinas, California; (ll) San Luis Obispo, California; (mm) Santa Barbara/Goleta, California; (nn) Santa Clarita, California; (oo) Santa Cruz/Capitola, California; (pp) Santa Maria/Orcutt, California; (qq) Santa Rosa, California; (rr) Simi Valley, California; (ss) Sonoma/Hot Springs, California; (tt) South Los Angeles County/North Orange County, California, and narrower markets contained therein;<sup>1</sup>

---

<sup>1</sup> The draft complaint defines “South Los Angeles County/North Orange County” as an area bordered on the north by the Santa Monica and San Jose Hills/Puente Hills/Chino Hills, on the west by Interstate 710 and the Pacific Ocean, on the east by the Santa Ana Mountains, and on the south by the Laguna Hills and El Toro Marine Corps Air Base.

(uu) South Orange County, California, and narrower markets contained therein; (vv) Southern Covina, California, an area that includes the communities of Diamond Bar, Hacienda Heights, South San Jose Hills, and Walnut; (ww) Thousand Oaks/Newbury Park/Casa Conejo, California; (xx) Torrance, California; (yy) Vacaville, California; (zz) Watsonville/Freedom, California; (aaa) Eastern Albuquerque, New Mexico; (bbb) Las Cruces, New Mexico; (ccc) Rio Rancho/Northwest Albuquerque, New Mexico; (ddd) Santa Fe, New Mexico; and (eee) Greater Las Vegas/Henderson, Nevada, and narrower markets contained therein.

Albertson's and American Stores are actual and direct competitors in all of the above listed markets other than Antioch/Pittsburg, Atascadero, Fallbrook, Morro Bay/Los Osos, and Santa Maria/Orcutt. Albertson's is an actual potential competitor against American Stores in and near Antioch/Pittsburg, Atascadero, Fallbrook, and Santa Maria/Orcutt, California. American Stores is an actual potential competitor against Albertson's in Morro Bay/Los Osos, California. But for the acquisition, Albertson's and American Stores would have become direct competitors in and near Antioch/Pittsburg, Atascadero, Fallbrook, Morro Bay/Los Osos, and Santa Maria/Orcutt, California. The acquisition will eliminate that competition.

The draft complaint alleges that the post-merger markets would all be highly concentrated, whether measured by the Herfindahl-Hirschman Index (commonly referred to as "HHI") or by four-firm concentration ratios.<sup>2</sup> The acquisition would substantially increase concentration in each market. The post-acquisition HHIs in the geographic markets would range from 2,000 to 8,090. Concentration levels in the geographic markets alleged in the draft complaint would not be

---

<sup>2</sup> The HHI is a measurement of market concentration calculated by summing the squares of the individual market shares of all the participants.

materially different even if club stores and limited assortment stores were included in the product market.

The draft complaint further alleges that entry is difficult and would not be timely, likely, or sufficient to prevent anticompetitive effects in the relevant geographic markets.

The draft complaint also alleges that Albertson's proposed acquisition of all of the outstanding securities of American Stores, if consummated, may substantially lessen competition in the relevant markets in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, by eliminating direct competition between supermarkets owned or controlled by Albertson's and supermarkets owned or controlled by American Stores; by eliminating actual potential competition between supermarkets owned or controlled by Albertson's and supermarkets owned or controlled by American Stores; by increasing the likelihood that Albertson's will unilaterally exercise market power; and by increasing the likelihood of, or facilitating, collusion or coordinated interaction among the remaining supermarket firms. Each of these effects increases the likelihood that the prices of food, groceries or services will increase, and the quality and selection of food, groceries or services will decrease, in the geographic markets alleged in the proposed complaint.

#### **IV. Terms of the Agreement Containing Consent Order ("the proposed consent order")**

The proposed consent order will remedy the Commission's competitive concerns about the proposed acquisition. Under the terms of the proposed consent order, Albertson's and American Stores must divest 144 identified supermarkets and five identified supermarket sites in the relevant markets to five different upfront buyers. The supermarkets and sites that the Proposed Respondents must divest consist of 104 Albertson's supermarkets and three Albertson's sites, and

40 American Stores supermarkets and two American Stores sites. The 104 Albertson's supermarkets consist of 96 stores that operate under the "Albertson's" trade name and eight stores that operate under the "Max Grocery Warehouse" trade name. The 40 American Stores supermarkets consist of 36 stores that operate under the "Lucky" trade name, three stores that operate under the "SuperSaver" trade name, and one store that operates under the "Lucky Sav-On" trade name.

In 37 of the 57 geographic markets, the Proposed Respondents will divest either all of the Albertson's supermarkets or all of the American Stores supermarkets to buyers who do not currently operate supermarkets in these markets. In the remaining markets, the Proposed Respondents will divest some combination of Albertson's and American Stores supermarkets or sites or both. Divesting all of one party's assets within a particular market achieves several important competitive goals that the proposed consent order is designed to achieve. It ensures that the merger will not result in any increase in concentration in that market. The divestiture will result in the same number of players in the market holding the same relative shares of the market as existed before the merger.

However, the Commission is willing to evaluate and, under certain conditions, accept other divestiture packages if and when the parties can satisfy the Commission that the divestiture will eliminate the anticompetitive effects of concern. In order to do so, the Commission will analyze the financial and competitive condition of the proposed divestiture assets and that of the stores the Proposed Respondents intend to retain. In this instance, the Commission has declined to accept divestiture of supermarkets that are not profitable or are declining in sales or

profitability, and has required that “mix-and-match” divestitures consist solely of competitively viable stores.

In 13 of the markets in which the Proposed Respondents are not divesting either all of the Albertson’s or all of the American Stores supermarkets to buyers who do not currently operate supermarkets in these markets, there will be no significant increase in concentration. In the remaining seven markets, although there is nominally an increase in concentration from the combined effect of the merger and divestiture, the proposed increase in concentration is significant in only one market (Bakersfield). In markets where the Proposed Respondents are not divesting either all of the Albertson’s or all of the American Stores supermarkets, the proposed divestiture assets consist of more profitable stores, rather than a divestiture of sales volume from unprofitable stores.

The Commission’s goal in evaluating possible purchasers of divested assets is to maintain the competitive environment that existed prior to the acquisition. When divestiture is an appropriate remedy for a supermarket merger, the Commission requires the merging parties to find a buyer for the divested stores. A proposed buyer must not itself present competitive problems. For example, the Commission is less likely to approve a buyer that already has a large retail presence in the relevant geographic area than a buyer without such a presence. The Commission is preliminarily satisfied that the purchasers presented by the parties are well qualified to run the divested stores and that divestiture to these purchases poses no separate competitive issues. Public comments may address the suitability of the designated acquirers to acquire the supermarkets at issue.

The five upfront buyers and the number of stores each is acquiring are as follows: 31 stores to Certified Grocers of California; 27 stores and one land site to Raley's; 40 stores and two land sites to Ralphs (a Kroger/Fred Meyer subsidiary); 43 stores and one land site to Stater Bros.; and three stores and one land site to Vons (a Safeway subsidiary). A list of the specific supermarkets that Albertson's and American Stores must divest to each of the upfront buyers is attached at the end of this Analysis to Aid Public Comment. The proposed consent order also requires Certified Grocers, which is acquiring 31 stores, to divest at least 20 of the stores within 90 days from the time the order becomes final. Certified Grocers is a food wholesaler that does not operate many corporate-owned stores. Certified Grocers must seek prior approval from the Commission to divest, within three years of the final order, any supermarkets to any firms not preapproved in the proposed consent order to acquire specific stores. Certified Grocers is made a party to the proposed consent order for relief purposes and is subject to civil penalties if it does not meet its obligations under the order.

The preapproved independent buyers that Certified Grocers plans to sell identified supermarkets to include the following: A.J. Markets, Inc. (d/b/a Amar Ranch); Arden Group (d/b/a Gelsons and Mayfair); Berberian Enterprises (d/b/a Jons Market); Bianchini's Apple Market (d/b/a Apple Market); Ceiland Coast, Inc.; Colonial Shopping Center, a general partnership (d/b/a Young's Market); El Tigre Inc. (d/b/a El Tigre Market); Goodwin & Sons, Inc. (d/b/a Village Market); Hope Mart, Inc. (d/b/a Best Value Grocery Warehouse); K.V. Mart Co. (d/b/a Top Valu and Valu Plus Food Warehouse); Rodd Mart, Inc. (d/b/a Payless Foods); Stump's Apple Markets (d/b/a Apple Market); UKA's Big Saver Food, Inc. (d/b/a Big Saver Foods); Vallarta Foods Enterprises, Inc. (d/b/a Vallarta Super Markets); and Ronald Ziff. The

supermarkets that Certified Grocers plans to sell to each preapproved buyer are identified by location in the proposed consent order.

The proposed consent order requires that the divestitures must occur no later than the earlier of (1) 30 to 120 days from when the Commission accepts the agreement for public comment, depending on the business plans of the specific upfront buyer, or (2) four months after the Commission accepts the agreement for public comment.<sup>3</sup> The amount of time required for the divestitures varies with each of the acquirers based on the acquirer's need to convert large numbers of new stores into its operations. The proposed consent order also requires Albertson's to include rescission provisions in its upfront buyer agreements that allow it to rescind the transaction(s) if the Commission, after the comment period, decides to reject any of the upfront buyers. If, at the time the Commission decides to make the proposed consent order final, the Commission notifies Albertson's that any of the upfront buyers to which Albertson's has divested a supermarket or site is not an acceptable acquirer, or that any upfront buyer agreement is not an acceptable manner of divestiture, then Albertson's must immediately rescind the transaction in question and divest those assets within three months after the proposed consent order becomes final. At that time, Albertson's must divest those assets only to an acquirer that receives the prior approval of the Commission and only in a manner that receives the prior approval of the Commission. In the event that any Commission-approved buyer is unable to take or keep possession of any of the supermarkets identified for divestiture, a trustee that the Commission

---

<sup>3</sup> Acceptance of the proposed consent order for public comment terminates the Hart-Scott-Rodino waiting period and enables Albertson's to immediately acquire the American Stores stock.

may appoint has the power to divest any additional ancillary assets and effect such arrangements as are necessary to satisfy the requirements of the proposed consent order.

The proposed consent order specifically requires the Proposed Respondents to:

(1) maintain the viability, competitiveness and marketability of the assets to be divested; (2) not cause the wasting or deterioration of the assets to be divested; (3) not sell, transfer, encumber, or otherwise impair their marketability or viability; (4) maintain the supermarkets consistent with past practices; (5) use best efforts to preserve existing relationships with suppliers, customers and employees; and (6) keep the supermarkets open for business and maintain the inventory of products in each store consistent with past practice. The proposed consent order also contains more specific details relating to maintaining store operations.

The proposed consent order also enables the Commission to appoint an interim auditor trustee to ensure that the parties expeditiously perform their respective responsibilities as required by the agreement, including the asset maintenance provisions. This provision is included in the proposed consent order because such a large number of stores must be divested and because the last of these divestitures may not occur for 120 days. The interim auditor trustee shall serve until the parties have completed all of the required divestitures. The interim auditor trustee does not have any responsibilities relating to the stores being divested to Certified Grocers once such divestitures have been accomplished, even if Certified Grocers later divests 20 or more of these store to other retail operators.

The proposed consent order also enables the Commission to appoint a trustee to divest any supermarkets or sites identified in the order that Albertson's and American Stores have not divested to satisfy the requirements of the proposed consent order. The proposed consent order

also enables the Commission to seek civil penalties against Albertson's for non-compliance with the proposed consent order.

For a period of 10 years from the date the proposed consent order becomes final, the Proposed Respondents are required to provide written notice to the Commission prior to acquiring supermarket assets located in, or any interest (such as stock) in any entity that owns or operates a supermarket located in, Alameda, Amador, Contra Costa, Kern, Los Angeles, Monterey, Napa, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Cruz, Solano, Sonoma, Ventura, or Yolo counties in California; Clark County in Nevada; or Bernalillo, Dona Ana, Sandoval, or Santa Fe counties in New Mexico. Proposed Respondents may not complete such an acquisition until they have provided information requested by the Commission. This provision does not restrict the Proposed Respondents from constructing new supermarket facilities on their own; nor does it restrict the Proposed Respondents from leasing facilities not operated as supermarkets within the previous six months.

For a period of 10 years, the proposed consent order also prohibits the Proposed Respondents from entering into or enforcing any agreement that restricts the ability of any person that acquires any supermarket, any leasehold interest in any supermarket, or any interest in any retail location used as a supermarket on or after January 1, 1998, to operate a supermarket at that site if such supermarket was formerly owned or operated by the Proposed Respondents in Alameda, Amador, Contra Costa, Kern, Los Angeles, Monterey, Napa, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Cruz, Solano, Sonoma, Ventura, or Yolo counties in California; Clark County in Nevada; or Bernalillo,

Dona Ana, Sandoval, or Santa Fe counties in New Mexico. In addition, the Proposed Respondents may not remove fixtures or equipment from a store or property owned or leased in these counties that is no longer in operation as a supermarket, except (1) prior to a sale, sublease, assignment, or change in occupancy or (2) to relocate such fixtures or equipment in the ordinary course of business to any other supermarket owned or operated by Proposed Respondents.

The Proposed Respondents are required to provide to the Commission a report of compliance with the proposed consent order within thirty days following the date on which they signed the proposed consent, every thirty days thereafter until the divestitures are completed, and annually for a period of 10 years.

The proposed consent order also has a provision relating to the settlement agreements negotiated by California, Nevada and New Mexico. If a State fails to approve any divestiture that has not been completed, even though the parties are in compliance with the other provisions of the proposed consent order, the time period in which the divestiture must be completed will be extended 60 days, during which the parties must exercise utmost good faith and best efforts to resolves the concerns of that particular State.

## **V. Opportunity for Public Comment**

The proposed consent order has been placed on the public record for 60 days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After 60 days, the Commission will again review the proposed consent order and the comments received and will decide whether it should withdraw from the agreement or make the proposed consent order final.

By accepting the proposed consent order subject to final approval, the Commission anticipates that the competitive problems alleged in the complaint will be resolved. The purpose of this analysis is to invite public comment on the proposed consent order, including the proposed sale of supermarkets to Certified Grocers, Raley's, Ralphs, Stater, and Vons, and the proposed divestitures by Certified Grocers to the various independent buyers listed above, in order to aid the Commission in its determination of whether to make the proposed consent order final. This analysis is not intended to constitute an official interpretation of the proposed consent order nor is it intended to modify the terms of the proposed consent order in any way.

Schedule A

Supermarkets Divested to Certified Grocers

Supermarket in the Apple Valley/Hesperia/Victorville, California Market:

1. Albertson's store no. 1609 operating under the "Albertson's" trade name, which is located at 20801 Bear Valley Road, Apple Valley, California 92307 (San Bernardino County).

Supermarket in the Greater Bakersfield, California Market:

1. American Stores store no. 281 operating under the "Lucky" trade name, which is located at 4801 White Lane, Bakersfield, California 93309 (Kern County).

Supermarkets in the Claremont/Pomona/Rancho Cucamonga, California Market:

1. Albertson's store no. 1675 operating under the "Albertson's" trade name, which is located at 2340 Foothill Boulevard, Laverne, California 91750 (Los Angeles County);
2. Albertson's store no. 1983 operating under the "Max Grocery Warehouse" trade name, which is located at 1445 East Foothill Boulevard, Upland, California 91785 (San Bernardino County);
3. American Stores store no. 431 operating under the "Lucky" trade name, which is located at 4200 Chino Hills Parkway 400, Chino Hills, California 91709 (San Bernardino County);
4. American Stores store no. 670 operating under the "Lucky" trade name, which is located at 685 West Foothill Boulevard, Upland, California 91786 (San Bernardino County); and
5. American Stores store no. 679 operating under the "Lucky" trade name, which is located at 6351 Haven Avenue, Rancho Cucamonga, California 91737 (San Bernardino County).

Supermarket in the Escondido, California Market:

1. American Stores store no. 211 operating under the "Lucky" trade name, which is located at 606 North Escondido Boulevard, Escondido, California 92025 (San Diego County).

Supermarket in the La Mesa/El Cajon, California Market:

1. American Stores store no. 565 operating under the "Lucky" trade name, which is located at 7908 El Cajon Boulevard, La Mesa, California 91641 (San Diego County).

Supermarket in the Lancaster/Palmdale, California Market:

1. Albertson's store no. 1963 operating under the "Max Grocery Warehouse" trade name, which is located at 1111 West Avenue I, Lancaster, California 93534 (Los Angeles County).

Supermarket in the Murrieta/Temecula, California Market:

1. Albertson's store no. 1611 operating under the "Albertson's" trade name, which is located at 29530 Rancho California Road, Temecula, California 92591 (Riverside County).

Supermarkets in the Northern Covina, California Market:

1. American Stores store no. 620 operating under the "Lucky" trade name, which is located at 1385 North Citrus Avenue, Covina, California 91722 (Los Angeles County);
2. American Stores store no. 873 operating under the "Lucky" trade name, which is located at 13925 Amar Road, La Puente, California 90746 (Los Angeles County); and
3. American Stores store no. 884 operating under the "Lucky Sav-On" trade name, which is located at 543 North Azusa, Covina, California 91723 (Los Angeles County).

Supermarkets in the Oxnard, California Market:

1. Albertson's store no. 682 operating under the "Albertson's" trade name, which is located at 450 South Ventura Road, Oxnard, California 93030 (Ventura County); and
2. Albertson's store no. 1953 operating under the "Max Grocery Warehouse" trade name, which is located at 2800 Saviers Road, Oxnard, California 93030 (Ventura County).

Supermarket in the Petaluma, California Market:

1. Albertson's store no. 720 operating under the "Albertson's" trade name, which is located at 169 North McDowell Boulevard, Petaluma, California 94954 (Sonoma County).

Supermarket in the Rialto/Fontana, California Market:

1. Albertson's store no. 1978 operating under the "Max Grocery Warehouse" trade name, which is located at 515 South Riverside Avenue, Rialto, California 92376 (San Bernardino County).

Supermarket in the Riverside/Corona, California Market:

1. Albertson's store no. 1613 operating under the "Albertson's" trade name, which is located at 430 McKinley, Corona, California 91719 (Riverside County).

Supermarket in the Santa Barbara/Goleta, California Market:

1. Albertson's store no. 622 operating under the "Albertson's" trade name, which is located at 3305 State Street, Santa Barbara, California 93105 (Santa Barbara County).

Supermarket in the Simi Valley, California Market:

1. American Stores store no. 650 operating under the "Lucky" trade name, which is located at 3963 Cochran, Simi Valley, California 93063 (Ventura County).

Supermarkets in the South Los Angeles County/North Orange County, California Market:

1. Albertson's store no. 1650 operating under the "Albertson's" trade name, which is located at 1720 East 17th Street, Santa Ana, California 92701 (Orange County);
2. Albertson's store no. 1905 operating under the "Max Grocery Warehouse" trade name, which is located at 4700 Cherry Avenue, Long Beach, California 90807 (Los Angeles County);
3. Albertson's store no. 1906 operating under the "Max Grocery Warehouse" trade name, which is located at 15300 Goldenwest, Westminster, California 92683 (Orange County);
4. Albertson's store no. 1909 operating under the "Max Grocery Warehouse" trade name, which is located at 12120 Carson Street, Hawaiian Gardens, California 90716 (Los Angeles County); and
5. Albertson's store no. 1930 operating under the "Max Grocery Warehouse" trade name, which is located at 12891 Harbor Boulevard, Garden Grove, California 92640 (Orange County).

Supermarket in the South Orange County, California Market:

1. Albertson's store no. 609 operating under the "Albertson's" trade name, which is located at 602 El Camino Real, San Clemente, California 92672 (Orange County).

Supermarket in the Southern Covina, California Market:

1. Albertson's store no. 1666 operating under the "Albertson's" trade name, which is located at 21080 Golden Springs, Walnut, California 91789 (Los Angeles County).

Supermarkets in the Thousand Oaks/Newbury Park/Casa Conejo, California Market:

1. American Stores store no. 286 operating under the “Lucky” trade name, which is located at 740 Moorpark Avenue, Thousand Oaks, California 91360 (Ventura County); and
2. American Stores store no. 674 operating under the “Lucky” trade name, which is located at 2100 Newbury Road, Newbury Park, California 91320 (Ventura County).

Supermarket in the Torrance, California Market:

1. American Stores store no. 630 operating under the “Lucky” trade name, which is located at 4848 West 190th Street, Torrance, California 90503 (Los Angeles County).

## Schedule B

### Supermarkets and Land Site Divested to Raley's

#### Supermarkets and Land Site in the Greater Las Vegas/Henderson, Nevada Market:

1. Albertson's store no. 611 operating under the "Albertson's" trade name, which is located at 4015 South Buffalo Drive, Las Vegas, Nevada 89117 (Clark County);
2. Albertson's store no. 614 operating under the "Albertson's" trade name, which is located at 55 South Valle Verde Drive, Henderson, Nevada 89012 (Clark County);
3. Albertson's store no. 634 operating under the "Albertson's" trade name, which is located at 4790 East Flamingo Road, Las Vegas, Nevada 89121 (Clark County);
4. Albertson's store no. 637 operating under the "Albertson's" trade name, which is located at 1570 North Eastern Avenue, Las Vegas, Nevada 89101 (Clark County);
5. Albertson's store no. 686 operating under the "Albertson's" trade name, which is located at 260 East Lake Mead Drive, Henderson, Nevada 89015 (Clark County);
6. Albertson's store no. 1606 operating under the "Albertson's" trade name, which is located at 1421 North Jones Boulevard, Las Vegas, Nevada 89108 (Clark County);
7. Albertson's store no. 1616 operating under the "Albertson's" trade name, which is located at 3160 North Rainbow, Las Vegas, Nevada 89107 (Clark County);
8. Albertson's store no. 1618 operating under the "Albertson's" trade name, which is located at 2271 North Green Valley Parkway, Henderson, Nevada 89014 (Clark County);
9. Albertson's store no. 1621 operating under the "Albertson's" trade name, which is located at 9200 West Sahara Avenue, Las Vegas, Nevada 89117 (Clark County);
10. Albertson's store no. 1628 operating under the "Albertson's" trade name, which is located at 8570 West Lake Mead Boulevard, Las Vegas, Nevada 89128 (Clark County);
11. Albertson's store no. 1638 operating under the "Albertson's" trade name, which is located at 4821 West Craig Road, Las Vegas, Nevada 89129 (Clark County);
12. Albertson's store no. 1642 operating under the "Albertson's" trade name, which is located at 3864 West Sahara Avenue, Las Vegas, Nevada 89102 (Clark County);

13. Albertson's store no. 1659 operating under the "Albertson's" trade name, which is located at 2545 South Eastern Avenue, Las Vegas, Nevada 89109 (Clark County);
14. Albertson's store no. 1660 operating under the "Albertson's" trade name, which is located at 8150 South Eastern Avenue, Las Vegas, Nevada 89123 (Clark County);
15. Albertson's store no. 1664 operating under the "Albertson's" trade name, which is located at 120 South Rainbow, Las Vegas, Nevada 89128 (Clark County);
16. Albertson's store no. 1665 operating under the "Albertson's" trade name, which is located at 1255 South Lamb Boulevard, Las Vegas, Nevada 89104 (Clark County);
17. Albertson's store no. 1678 operating under the "Albertson's" trade name, which is located at 1955 North Nellis Boulevard, Las Vegas, Nevada 89115 (Clark County);
18. Albertson's store no. 1681 operating under the "Albertson's" trade name, which is located at 6150 West Flamingo Road, Las Vegas, Nevada 89103 (Clark County);
19. Albertson's store no. 1684 operating under the "Albertson's" trade name, which is located at 2475 East Tropicana Avenue, Las Vegas, Nevada 89121 (Clark County); and
20. Land Site for Albertson's store no. 633, which is located at the northwest corner of Eastern and Maryland Parkway, Henderson, Nevada 89012 (Clark County).

Supermarkets in the East Albuquerque, New Mexico Market:

1. Albertson's store no. 905 operating under the "Albertson's" trade name, which is located at 2200 Juan Tabo Boulevard NE, Albuquerque, New Mexico 87112 (Bernalillo County);
2. Albertson's store no. 906 operating under the "Albertson's" trade name, which is located at 4401 Wyoming Boulevard NE, Albuquerque, New Mexico 87111 (Bernalillo County);
3. Albertson's store no. 912 operating under the "Albertson's" trade name, which is located at 5555 Zuni SE, Albuquerque, New Mexico 87108 (Bernalillo County); and
4. Albertson's store no. 923 operating under the "Albertson's" trade name, which is located at 13150 Central Avenue SE, Albuquerque, New Mexico 87123 (Bernalillo County).

Supermarkets in the Rio Rancho/Northwest Albuquerque, New Mexico Market:

1. Albertson's store no. 915 operating under the "Albertson's" trade name, which is located at 6200 Coors Boulevard NW, Albuquerque, New Mexico 87120 (Bernalillo County); and

2. Albertson's store no. 920 operating under the "Albertson's" trade name, which is located at 1660 Rio Rancho Drive SE, Rio Rancho, New Mexico 87124 (Sandoval County).

Supermarkets in the Las Cruces, New Mexico Market:

1. American Stores store no. 668 operating under the "Lucky" trade name, which is located at 320 Wyatt Drive, Las Cruces, New Mexico 88001 (Dona Ana County); and

2. American Stores store no. 698 operating under the "Lucky" trade name, which is located at 3861 North Main, Las Cruces, New Mexico 88005 (Dona Ana County).

## Schedule C

### Supermarkets and Land Sites Divested to Ralphs

#### Supermarket in the Antioch/Pittsburg, California Market:

1. American Stores store no. 122 operating under the “SuperSaver” trade name, which is located at 300 Atlantic Avenue, Pittsburg, California 94565 (Contra Costa County).

#### Supermarket in the Atascadero, California Market:

1. American Stores store no. 273 operating under the “Lucky” trade name, which is located at 8665 El Camino Real, Atascadero, California 93422 (San Luis Obispo County).

#### Supermarket in the Auburn, California Market:

1. Albertson’s store no. 759 operating under the “Albertson’s” trade name, which is located at 2795 Bell Road, Auburn, California 95603 (Placer County).

#### Supermarket in the Greater Bakersfield, California Market:

1. American Stores store no. 280 operating under the “Lucky” trade name, which is located at 1121 Olive Drive, Bakersfield, California 93308 (Kern County).

#### Supermarkets in the Danville/San Ramon/Dublin/Pleasanton, California Market:

1. Albertson’s store no. 703 operating under the “Albertson’s” trade name, which is located at 9100 Alcosta Avenue, San Ramon, California 94583 (Contra Costa County); and
2. Albertson’s store no. 733 operating under the “Albertson’s” trade name, which is located at 7333 Regional Street, Dublin, California 94568 (Alameda County).

#### Supermarket in the Davis, California Market:

1. Albertson’s store no. 725 operating under the “Albertson’s” trade name, which is located at 1800 East 8th Street, Davis, California 95616 (Yolo County).

#### Supermarket in the Grass Valley, California Market:

1. American Stores store no. 323 operating under the “Lucky” trade name, which is located at 11867 Sutton Way, Grass Valley, California 95945 (Nevada County).

Supermarket in the Grover City/Arroyo Grande, California Market:

1. Albertson's store no. 1688 operating under the "Albertson's" trade name, which is located at 829 Oak Park Boulevard, Pismo Beach, California 93449 (San Luis Obispo County).

Supermarket in the Jackson, California Market:

1. American Stores store no. 193 operating under the "Lucky" trade name, which is located at 555 Highway 49, Jackson, California 95642 (Amador County).

Supermarket in the Laguna Beach, California Market:

1. Albertson's store no. 612 operating under the "Albertson's" trade name, which is located at 700 South Coast Highway, Laguna Beach, California 92651 (Orange County).

Supermarket in the Livermore, California Market:

1. Albertson's store no. 763 operating under the "Albertson's" trade name, which is located at 919 East Stanley Boulevard, Livermore, California 94550 (Alameda County).

Supermarket in the Lompoc, California Market:

1. American Stores store no. 270 operating under the "Lucky" trade name, which is located at 729 North H Street, Lompoc, California 93436 (Santa Barbara County).

Supermarket in the Monterey/Seaside/Del Rey Oaks/Pacific Grove, California Market:

1. Albertson's store no. 794 operating under the "Albertson's" trade name, which is located at 815 Canyon Del Ray, Monterey, California 93940 (Monterey County).

Land Site in the Morro Bay/Los Osos, California Market:

1. Land Site for American Stores store no. 592, which is located at the northwest corner of Los Osos Valley Road and Southbay Boulevard, Los Osos, California 93402 (San Luis Obispo County).

Supermarket in the Napa, California Market:

1. Albertson's store no. 750 operating under the "Albertson's" trade name, which is located at 3682 Bel Aire Plaza, Napa, California 94558 (Napa County).

Supermarket in the Paso Robles, California Market:

1. American Stores store no. 266 operating under the “Lucky” trade name, which is located at 2121 Spring Street, Paso Robles, California 93446 (San Luis Obispo County).

Supermarkets in the Greater Sacramento, California Market:

1. Albertson’s store no. 702 operating under the “Albertson’s” trade name, which is located at 5001 Foothills Boulevard, Roseville, California 95678 (Placer County);
2. Albertson’s store no. 761 operating under the “Albertson’s” trade name, which is located at 2280 Sunrise Boulevard, Rancho Cordova, California 95670 (Sacramento County);
3. Albertson’s store no. 762 operating under the “Albertson’s” trade name, which is located at 9522 Greenback Lane, Folsom, California 95630 (Sacramento County);
4. Albertson’s store no. 765 operating under the “Albertson’s” trade name, which is located at 6737 Watt Avenue, North Highlands, California 95660 (Sacramento County);
5. Albertson’s store no. 766 operating under the “Albertson’s” trade name, which is located at 3615 Bradshaw Road, Sacramento, California 95827 (Sacramento County);
6. Albertson’s store no. 769 operating under the “Albertson’s” trade name, which is located at 5330 Stockton Boulevard, Sacramento, California 95820 (Sacramento County);
7. Albertson’s store no. 770 operating under the “Albertson’s” trade name, which is located at 4560 Mack Road, Sacramento, California 95823 (Sacramento County);
8. Albertson’s store no. 771 operating under the “Albertson’s” trade name, which is located at 4080 Douglas Boulevard, Granite Bay, California 95746 (Placer County);
9. Albertson’s store no. 774 operating under the “Albertson’s” trade name, which is located at 6124 San Juan, Citrus Heights, California 95610 (Sacramento County);
10. Albertson’s store no. 777 operating under the “Albertson’s” trade name, which is located at 8122 Gerber Road, Sacramento, California 95828 (Sacramento County);
11. Albertson’s store no. 783 operating under the “Albertson’s” trade name, which is located at 5025 Marconi Avenue, Carmichael, California 95608 (Sacramento County);
12. Albertson’s store no. 788 operating under the “Albertson’s” trade name, which is located at 25000 Blue Ravine Road, Folsom, California 95630 (Sacramento County);

13. American Stores store no. 179 operating under the “SuperSaver” trade name, which is located at 2351 Northgate Boulevard, Sacramento, California 95833 (Sacramento County); and

14. American Stores store no. 195 operating under the “Lucky” trade name, which is located at 8539 Elk Grove Boulevard, Elk Grove, California 95624 (Sacramento County).

Supermarket in the Salinas, California Market:

1. Albertson’s store no. 795 operating under the “Albertson’s” trade name, which is located at 1030 East Alisal, Salinas, California 93905 (Monterey County).

Supermarket in the San Luis Obispo, California Market:

1. American Stores store no. 271 operating under the “Lucky” trade name, which is located at 201 Madonna Road, San Luis Obispo, California 93401 (San Luis Obispo County).

Supermarket in the Santa Cruz/Capitola, California Market:

1. Albertson’s store no. 719 operating under the “Albertson’s” trade name, which is located at 1710 41st Avenue, Capitola, California 95010 (Santa Cruz County).

Supermarket in the Santa Maria/Orcutt, California Market:

1. American Stores store no. 262 operating under the “Lucky” trade name, which is located at 4869 South Bradley, Orcutt, California 93455 (Santa Barbara County).

Supermarkets in the Santa Rosa, California Market:

1. Albertson’s store no. 760 operating under the “Albertson’s” trade name, which is located at 461 Stony Point Road, Santa Rosa, California 95401 (Sonoma County); and

2. American Stores store no. 29 operating under the “Lucky” trade name, which is located at 390 Coddington Center, Santa Rosa, California 95401 (Sonoma County).

Supermarket in the Sonoma, California Market:

1. Albertson’s store no. 756 operating under the “Albertson’s” trade name, which is located at 201 West Napa Street, Sonoma, California 95476 (Sonoma County).

Supermarket in the Vacaville, California Market:

1. American Stores store no. 399 operating under the “Lucky” trade name, which is located at 615 Elmira Road, Vacaville, California 95687 (Solano County).

Supermarket in the Watsonville/Freedom, California Market:

1. Albertson's store no. 786 operating under the "Albertson's" trade name, which is located at 2010 Freedom Boulevard, Freedom, California 95019 (Santa Cruz County).

Supermarket and Land Site in the Santa Fe, New Mexico Market:

1. American Stores store no. 688 operating under the "Lucky" trade name, which is located at 2308 Cerrillos Road, Santa Fe, New Mexico 87505 (Santa Fe County); and
2. Land Site for American Stores store no. 701, which is located at the northeast corner of Airport and South Meadows, Santa Fe, New Mexico 87505 (Santa Fe County).

Schedule D

Supermarkets and Land Site Divested to Stater

Supermarket in the Encinitas, California Market:

1. Albertson's store no. 613 operating under the "Albertson's" trade name, which is located at 1048 North El Camino Real, Encinitas, California 92024 (San Diego County).

Supermarkets in the Escondido, California Market:

1. Albertson's store no. 1672 operating under the "Albertson's" trade name, which is located at 635 North Broadway, Escondido, California 92025 (San Diego County); and
2. American Stores store no. 561 operating under the "Lucky" trade name, which is located at 1330 Mission Road, San Marcos, California 92069 (San Diego County).

Land Site for Supermarket in the Fallbrook, California Market:

1. Land Site for Albertson's store no. 1692, which is located at Mission and Pepper, Fallbrook, California 92028 (San Diego County).

Supermarkets in the Lancaster/Palmdale, California Market:

1. Albertson's store no. 1619 operating under the "Albertson's" trade name, which is located at 1840 East Avenue J, Lancaster, California 93536 (Los Angeles County);
2. Albertson's store no. 1634 operating under the "Albertson's" trade name, which is located at 37218 47th Street East, Palmdale, California 93550 (Los Angeles County);
3. Albertson's store no. 1670 operating under the "Albertson's" trade name, which is located at 2845 West Avenue L, Lancaster, California 93536 (Los Angeles County); and
4. American Stores store no. 458 operating under the "Lucky" trade name, which is located at 2535 East Avenue South, Palmdale, California 93550 (Los Angeles County).

Supermarkets in the Murrieta/Temecula, California Market:

1. Albertson's store no. 619 operating under the "Albertson's" trade name, which is located at 31813 Highway 79 South, Temecula, California 92592 (Riverside County); and
2. American Stores store no. 504 operating under the "Lucky" trade name, which is located at 25050 Hancock Avenue, Murrieta Hot Springs, California 92563 (Riverside County).

Supermarkets in the Oceanside/Vista/Carlsbad, California Market:

1. Albertson's store no. 1631 operating under the "Albertson's" trade name, which is located at 1451 North Santa Fe Avenue, Vista, California 92083 (San Diego County);
2. Albertson's store no. 1687 operating under the "Albertson's" trade name, which is located at 780 Sycamore Avenue, Vista, California 92083 (San Diego County);
3. American Stores store no. 231 operating under the "SuperSaver" trade name, which is located at 3770 Mission Avenue, Oceanside, California 92054 (San Diego County); and
4. American Stores store no. 298 operating under the "Lucky" trade name, which is located at 2170 Vista Way, Oceanside, California 92054 (San Diego County).

Supermarkets in the Palm Springs/Indio, California Market:

1. Albertson's store no. 683 operating under the "Albertson's" trade name, which is located at 1717 Vista Chino, Palm Springs, California 92262 (Riverside County);
2. Albertson's store no. 1623 operating under the "Albertson's" trade name, which is located at 69255 Ramon Road, Cathedral City, California 92234 (Riverside County); and
3. Albertson's store no. 1627 operating under the "Albertson's" trade name, which is located at 78-630 Highway 111, La Quinta, California 92253 (Riverside County).

Supermarkets in the Poway/North San Diego, California Market:

1. Albertson's store no. 1644 operating under the "Albertson's" trade name, which is located at 13589 Poway Road, Poway, California 92064 (San Diego County); and
2. American Stores store no. 553 operating under the "Lucky" trade name, which is located at 9909 Carmel Mountain Road, San Diego, California 92129 (San Diego County).

Supermarket in the Ramona, California Market:

1. Albertson's store no. 1630 operating under the "Albertson's" trade name, which is located at 1674 Main Street, Ramona, California 92065 (San Diego County).

Supermarket in the Santa Clarita, California Market:

1. Albertson's store no. 681 operating under the "Albertson's" trade name, which is located at 26900 Sierra Highway, Santa Clarita, California 91355 (Los Angeles County).

Supermarkets in the South Los Angeles County/North Orange County, California  
Market:

1. Albertson's store no. 607 operating under the "Albertson's" trade name, which is located at 3325 East Chapman Avenue, Orange, California 92669 (Orange County);
2. Albertson's store no. 620 operating under the "Albertson's" trade name, which is located at 610 South Brookhurst, Anaheim, California 92804 (Orange County);
3. Albertson's store no. 627 operating under the "Albertson's" trade name, which is located at 8640 East Alondra Boulevard, Paramount, California 90723 (Los Angeles County);
4. Albertson's store no. 629 operating under the "Albertson's" trade name, which is located at 851 North Harbor Boulevard, La Habra, California 90631 (Orange County);
5. Albertson's store no. 651 operating under the "Albertson's" trade name, which is located at 11815 Artesia Boulevard, Artesia, California 90701 (Los Angeles County);
6. Albertson's store no. 666 operating under the "Albertson's" trade name, which is located at 1131 State College Boulevard, Anaheim, California 92806 (Orange County);
7. Albertson's store no. 1601 operating under the "Albertson's" trade name, which is located at 7814 East Firestone Boulevard, Downey, California 90241 (Los Angeles County);
8. Albertson's store no. 1604 operating under the "Albertson's" trade name, which is located at 1111 East Imperial Highway, Placentia, California 92670 (Orange County);
9. Albertson's store no. 1608 operating under the "Albertson's" trade name, which is located at 10051 Valley View, Cypress, California 90630 (Orange County);
10. Albertson's store no. 1635 operating under the "Albertson's" trade name, which is located at 1040 East Bastanchury Road, Fullerton, California 92635 (Orange County);
11. Albertson's store no. 1641 operating under the "Albertson's" trade name, which is located at 6501 East Spring, Long Beach, California 90808 (Los Angeles County);
12. Albertson's store no. 1648 operating under the "Albertson's" trade name, which is located at 7511 East Orangethorp, Buena Park, California 90621 (Orange County);
13. Albertson's store no. 1652 operating under the "Albertson's" trade name, which is located at 12800 La Mirada Boulevard, La Mirada, California 90638 (Los Angeles County);

14. Albertson's store no. 1656 operating under the "Albertson's" trade name, which is located at 10114 Adams Street, Huntington Beach, California 92646 (Orange County);
15. Albertson's store no. 1668 operating under the "Albertson's" trade name, which is located at 7101 Warner Avenue, Huntington Beach, California 92647 (Orange County);
16. Albertson's store no. 1674 operating under the "Albertson's" trade name, which is located at 11300 Firestone Boulevard, Norwalk, California 90650 (Los Angeles County);
17. American Stores store no. 425 operating under the "Lucky" trade name, which is located at 333 North Euclid Avenue, Fullerton, California 92632 (Orange County);
18. American Stores store no. 442 operating under the "Lucky" trade name, which is located at 17220 South Lakewood Boulevard, Bellflower, California 90706 (Los Angeles County); and
19. American Stores store no. 473 operating under the "Lucky" trade name, which is located at 11750 East Whittier Boulevard, Whittier, California 90601 (Los Angeles County).

Supermarkets in the South Orange County, California Market:

1. Albertson's store no. 1673 operating under the "Albertson's" trade name, which is located at 22351 El Toro Road, El Toro, California 92630 (Orange County);
2. Albertson's store no. 1677 operating under the "Albertson's" trade name, which is located at 26892 La Paz Road, Laguna Hills, California 92653 (Orange County); and
3. American Stores store no. 624 operating under the "Lucky" trade name, which is located at 616 Camino de los Mares, San Clemente, California 92673 (Orange County).

Supermarket in the Southern Covina, California Market:

1. Albertson's store no. 1662 operating under the "Albertson's" trade name, which is located at 20677 Amar Road, Walnut, California 91789 (Los Angeles County).

Schedule E

Supermarkets and Land Site Divested to Vons

Supermarket in the Moorpark, California Market:

1. American Stores store no. 558 operating under the “Lucky” trade name, which is located at 4241 Tierra Rejada, Moorpark, California 93021 (Ventura County).

Supermarket in the Redlands, California Market:

1. Albertson’s store no. 1605 operating under the “Albertson’s” trade name, which is located at 522 North Orange, Redlands, California 92374 (San Bernardino County).

Land Site for Supermarket in the Rialto/Fontana, California Market:

1. Land Site for Albertson’s store no. 628, which is located at Cherry and Baseline, Fontana, California 92336 (San Bernardino County).

Supermarket in the Riverside/Corona, California Market:

1. Albertson’s store no. 1622 operating under the “Albertson’s” trade name, which is located at 1130 West 6th Street, Corona, California 91720 (Riverside County).