

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright

In the Matter of)
)
)
 Lone Star Fund V (U.S.), L.P.,)
 a limited partnership;)
)
 Bi-Lo Holdings, LLC,)
 a limited liability company;) **Docket No. C-4440**
)
 Etablissements Delhaize Frères et Cie “Le Lion”)
 (Group Delhaize) SA/NV,)
 a public limited company (société)
 anonyme/naamloze vennootschap);)
)
 and)
)
 Delhaize America, LLC,)
 a limited liability company.)

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and by virtue of the authority vested in it by said Acts, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Bi-Lo Holdings, LLC (“Bi-Lo”), of which Respondent Lone Star Fund V (U.S.), L.P. (“Lone Star”) is the majority owner, and Respondent Delhaize America, LLC (“Delhaize America”), of which Respondent Etablissements Delhaize Frères et Cie “Le Lion” (Group Delhaize) SA/NV (“Delhaize”) is the majority owner, all subject to the jurisdiction of the Commission, entered into an agreement and plan of merger pursuant to which Bi-Lo will acquire certain assets of Delhaize America, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. RESPONDENTS

1. Respondent Lone Star is a limited partnership organized, existing, and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business at 2711 North Haskell Avenue, Suite 1700, Dallas, Texas 75204.
2. Respondent Bi-Lo is a limited liability company organized, existing, and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business at 5050 Edgewood Court, Jacksonville, Florida 32254.
3. Respondent Lone Star, through Bi-Lo, of which Lone Star is the majority owner, owns and operates the BI-LO and Winn-Dixie supermarket chains in the southeastern United States, including Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.
4. Respondent Delhaize is a public limited company (société anonyme/naamloze vennootschap) organized, existing, and doing business under and by virtue of the laws of Belgium, with its office and principal place of business located at Square Marie Curie 40, 1070 Brussels, Belgium.
5. Respondent Delhaize America is a limited liability corporation organized, existing, and doing business under and by virtue of the laws of the state of North Carolina, with its office and principal place of business at 14 Tce Tc0002 Tts 6n04 Tcsn2xe“erica is aJoTT21owith 737.58

IV. THE RELEVANT PRODUCT MARKET

10. The relevant line of commerce in which to analyze the Proposed Acquisition is the retail sale of food and other grocery products in supermarkets.
11. For purposes of this complaint, the term “supermarket” means any full-line retail grocery store that enables customers to purchase substantially all of their weekly food and grocery shopping requirements in a single shopping visit with substantial offerings in each of the following product categories: bread and baked goods; dairy products; refrigerated food and beverage products; frozen food and beverage products; fresh and prepared meats and poultry; fresh fruits and vegetables; shelf-stable food and beverage products, including canned, jarred, bottled, boxed and other types of packaged products; staple foodstuffs, which may include salt, sugar, flour, sauces, spices, coffee, tea and other staples; other grocery products, including nonfood items such as soaps, detergents, paper goods, other household products, and health and beauty aids; pharmaceutical products and pharmacy services (where provided); and, to the extent permitted by law, wine, beer and/or distilled spirits.
12. Supermarkets provide a distinct set of products and services and offer consumers convenient one-stop shopping for food and grocery products. Supermarkets typically carry more than 10,000 different items, typically referred to as stock-keeping units (“SKUs”),

VIII. EFFECTS OF THE ACQUISITION

22. The Proposed Acquisition, if consummated, is likely to substantially lessen competition for the retail sale of food and other grocery products in supermarkets in the relevant geographic markets identified in Paragraph 17 in the following ways, among others:
- (a) by eliminating direct and substantial competition between Respondents Bi-Lo and Delhaize;
 - (b) by increasing the likelihood that Respondent Bi-Lo will unilaterally exercise market power; and
 - (c) by increasing the likelihood of, or facilitating, coordinated interaction between the remaining participants in each of the relevant markets.
23. The ultimate effect of the Proposed Acquisition would be to increase the likelihood that the prices of food, groceries, or services will increase, and that the quality and selection of food, groceries, or services will decrease, in the relevant sections of the country.

IX. VIOLATIONS CHARGED

24. The agreement described in Paragraph 9 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and the acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this twenty-fourth day of February, 2014, issues its complaint against said Respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL

