



September 13, 2000

Robert M. Ling, Jr.
Executive Vice President
General Counsel and Secretary

VIA FEDERAL EXPRESS

Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580



RE: FTC File No. 981-0339
Albertson's/American Stores Matter
SavMax Store No. 310 Temecula - Sale to Vons
(Former Albertson's Store No. 1611)
SavMax Store No. 312 Corona (Now Closed) - Sale to PCF
(Former Albertson's Store No. 1613)

To: Federal Trade Commission:

Pursuant to the Albertson's/American Stores Consent Order, File No. 981-0339 ("Order"), between Unified Western Grocers, Inc. ("Unified"), formerly known as Certified Grocers of California, Ltd., and the Federal Trade Commission ("Commission"), Unified hereby applies for approval from the Federal Trade Commission ("Commission") to sell SavMax Store No. 310, currently operating under the "SavMax" trade name, located at 29530 Rancho California Road, Temecula, California 92390, to The Vons Companies, Inc. ("Vons"), (please see attached Letter of Intent marked Exhibit A), and SavMax Store No. 312, previously operated under the "SavMax" trade name, located at 430 McKinley Street, Corona, California 91719 to PCF CAPTEC Solano Mall, LLC ("PCF"), (please see attached Purchase and Sale Agreement marked Exhibit B).

While this letter application itself is public, all attachments are submitted on a confidential basis under the Commission rules. Unified also requests elimination or early termination of the comment period so that the transactions can promptly close and the store ownership transfers can take place.

Schedule A to the Order identifies the stores that were divested to Unified. Two of those stores were Albertson's Store No. 1611 in Temecula, California and Albertson's Store No. 1613 in Corona, California, which were opened and operated respectively as, SavMax Store Nos. 310 and 312. While SavMax No. 310 Temecula is currently operating (please see attached operating statements marked Exhibit C for more information on the store's current financial performance), Unified found it necessary to close SavMax No. 312 Corona on July 22, 2000, due to poor sales and mounting operating losses (please see attached operating statements marked Exhibit D for further information regarding the store's financial performance).

Under paragraph VI B. of the Order, for three (3) years after the Order becomes final, Unified “shall not sell or otherwise convey, directly or indirectly, any remaining Schedule A Assets, except to an Acquirer approved by the Commission and only in a manner that receives the prior approval of the Commission.”

Unified has invested significant time, effort and resources in operating the two (2) subject stores following our acquisition in August and September, 1999. Unfortunately, these two (2) stores have not met sales expectations (please see attached weekly sales history marked Exhibit E), and either are or were operating at a significant loss. As a result, Unified desires to sell its interest in the two (2) subject stores.

In order to attract potential acquirers for Unified’s interests in the stores, many contacts were made with Unified’s member retailers and contacts were also made with several competitive retailers as well (please see attached contacts list marked Exhibit F for more specific information regarding Unified’s internal efforts to market the stores). After extensive efforts, Unified was able to obtain the interest of one potential acquirer for the Temecula store, Vons, through our own marketing efforts. Unified has signed a letter of intent with Vons for the sale of the Temecula store. Our contact at Vons is Mr. Gregory S. Peters, who can be reached at (626) 821-7053.

When Unified’s own marketing efforts failed to produce any interested acquirers for the Corona store, Unified listed that store with a Real Estate Broker, Pentz and Partners. Our contact with Pentz is Ms. Lori Gast, who can be reached at (949) 756-1022. Pentz was able to interest a potential acquirer in the Corona store. Unified has signed a Purchase and Sale Agreement, subject to approval, with PCF, a private real estate developer. Our agreement with PCF does not restrict PCF in any way from locating a tenant for the store, including supermarket use. Our contact at PCF is Mr. Gary Mull, who can be reached at (949) 756-1022.

For additional information in support of Unified’s request to sell two (2) of the stores, we refer you to the following which we previously forwarded to staff at the FTC; a binder containing information regarding our investment in, and operation of the stores, and in addition, market area studies performed by Thompson and Associates, which detail the sales and market share information for the Temecula/Murrieta and Corona/Riverside market areas (please see attached Exhibits G and H).

We believe that the acquisition of SavMax No. 310 Temecula by Vons will not adversely affect competition because Vons has only one existing store in the entire Temecula/Murrieta market area. In addition, according to the Thompson market study, Vons is currently fourth (4th) in market share, and even if Vons is successful enough to combine all of their current sales with all of the existing SavMax sales, Vons will likely remain in fourth (4th) place for market share due to the relative strength of, and multiple stores operated by, other competitors in the market area.

Federal Trade Commission
September 13, 2000
Page 3

We also believe that the acquisition of SavMax No. 312 by PCF will not adversely impact competition because our sales were so low and as a result, we have already closed the store.

Unified thus requests approval from the Commission under the Order for the sale of Store No. 310 and Store No. 312 as described above. If you require additional information, please call me at (323) 264-5200, ext. 4285, or in my absence, please contact Gary Hammett, Unified's Vice President, Real Estate, at the same number, ext. 4700. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to be "RML", written over a large, faint, circular stamp or watermark.

Robert M. Ling, Jr.
Executive Vice President
General Counsel

attachments

The following confidential exhibits are redacted.

Exhibit A

Exhibit B

Exhibit C

Exhibit D

Exhibit E

Exhibit F

Exhibit G

Exhibit H