To whom it may concern,

If Sycamore's attempt to merge Staples with Essendant goes through, investors in a private equity fund will have the power to reduce competition, close stores, and lay off workers. It will additionally compromise the ability of the independent office products retailer channel (IDC) to compete in their markets and effectively procure product from Essendant. The agreement Staples/Sycamore made with the FTC contains a provision for a “customer data firewall” between Staples and Essendant pertaining to Essendant’s customers (IDC). Staples has already dismantled the upper management at Essendant before the ink is even dry on their Consent Agreement with the FTC, so those responsible for creating this “firewall” are very likely no longer present at Essendant and there is no public record of who is to monitor this “firewall” and if this monitoring prescribed by the FTC indeed exists and to who the “firewall” reporting shall be presented to. All of this presents a climate of uncertainty and the potential of great harm to the IDC.

In addition, the Staples Essendant merger may introduce further risks of price discrimination violations of the Clayton Antitrust Act Article 2(f) of the Clayton Act, as amended, 15 U.S.C. § 13(f) (§ 2(f) of the Robinson-Patman Act), and § 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. Please Refer to: Boise Cascade Corp. v. FTC, 498 F. Supp. 772 (D. Del. 1980).

If that were not enough, Sycamore Partners, the firm that owns Staples, has already shut down most Nine West stores and picked apart companies like Hot Topic and Aeropostale to try to extract as much value as possible. It therefore seems likely that Staples/Essendant will be disassembled by the same means. In fact, Sycamore/Staples has already been closing stores and cutting jobs.

Private equity funds have a devastating effect on retail across America. As an example, when one such fund closed Toys R Us last year, 31,000 people immediately lost their jobs.

In many cases private equity funds also try to eliminate competition. In this case, Sycamore, which owns Staples wants to merge it with Essendant. The result will be to kill off competition -- and eventually, kill off another successful retailer.

To quote FTC Commissioner Rohit Chopra,

> *"Remember the paper supply company Dunder Mifflin from "The Office"? The merger puts even more suppliers like them at the mercy of Staples -- something our investigation overlooked."*

It seems wise and necessary that the FTC step in and block this Staples/Essendant merger, as it presents an unacceptable threat to competition. Private equity related mergers deserve heightened scrutiny as private equity funds often remove companies from the markets in which they were situated at time of acquisition, or drastically reduce the scale of their operations, leading to anti-competitive outcomes by reducing the number and scope of firms in a given market. After the great recession, private equity funds have turned to acquisitions to increase profits. This routinely comes at the expense of a company's ability to compete, retain market share, or retain employees. Companies become heavily leveraged with debt and are then unable to survive. The FTC needs to stop the Staples/Essendant merger and generally scrutinize the anti-competitive practices of private equity when assessing private equity-driven mergers.

This type of merger, particularly when a vital wholesaler has been compromised, causes long-term damage to our industry and our communities.

Thank you for your kind attention to this matter,

Robert Wist
President
Wist Business Supplies & Equipment
[Redacted]