

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

**COMMISSIONERS: Andrew N. Ferguson, Chairman
 Mark R. Meador**

In the Matter of)	
)	
Garage Topco LP,)	
 a limited partnership;)	
)	
PEP VIII Intermediate 7 L.P.,)	Docket No. C-4831
 a limited partnership;)	
)	
365 Retail Markets, LLC,)	
 a limited liability company;)	
)	
and)	
)	
Cantaloupe, Inc.,)	
 a corporation.)	
)	

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Garage Topco LP, a limited partnership affiliated with Providence Equity Partners L.L.C., a limited liability company, an entity that controls 365 Retail Markets, LLC, a limited liability company subject to the jurisdiction of the Commission (collectively “365”), has agreed to acquire Respondent Cantaloupe, Inc. (“Cantaloupe”), a corporation subject to the jurisdiction of the Commission, in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, that such 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, 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 PEP VIII Intermediate 7 L.P. is a limited partnership affiliated with Providence Equity Partners L.L.C. and organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware with its executive offices and principal place of business located at 50 Kennedy Plaza, 18th Floor, Providence, RI 02903.

2. Respondent Garage Topco LP is a limited partnership organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware with its executive offices and principal place of business located at c/o Providence Equity Partners L.L.C., 50 Kennedy Plaza, 18th Floor, Providence, RI 02903.

3. Respondent 365 Retail Markets, LLC is a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware with its executive offices and principal place of business located at 1743 Maplelawn Drive, Troy, MI 48084. Respondent 365 Retail Markets, LLC is the largest provider of micromarket kiosks in the United States. Micromarkets are point-of-sale hardware devices that are sold to businesses, including foodservice operators, that enable these entities to offer unattended retail at various locations, including, but not limited to, workplace breakrooms.

4. Respondent Cantaloupe is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Pennsylvania with its executive offices and principal place of business located at 101 Lindenwood Drive, Suite 405, Malvern, PA 19355. Respondent Cantaloupe is one of the largest providers of credit card point-of-sale readers (“card readers”), which are affixed to vending machines, or other devices, such as amusement rides, to effectuate credit card payments on these devices. Following its acquisition of Three Square Market in December 2022, Respondent Cantaloupe is now the second largest provider of micromarket kiosks in the United States.

5. Each Respondent is, and at all times relevant herein, has been engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and engages in business that is in or affects commerce, as “commerce” is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

II. THE PROPOSED ACQUISITION

6. Pursuant to an Agreement and Plan of Merger dated June 15, 2025, 365 proposes to acquire all the voting securities of Cantaloupe in an all-cash transaction valued at approximately \$848 million (the “Acquisition”). The Acquisition is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

III. THE RELEVANT MARKET

7. For the purposes of this Complaint, the relevant line of commerce in which to analyze the effects of the Acquisition is the sale and provision of micromarket kiosks and related software and services to foodservice operators.

8. Micromarkets are unattended and self-service mini-convenience stores that are commonly situated in offices, breakrooms, and other private or semi-private locations. Foodservice operators work with employers or property owners to obtain space for micromarkets and operate and manage the businesses, selecting and stocking inventory, setting prices, and processing payments.

9. Micromarkets offer individuals access to a wider variety of affordable, freshly-prepared food than vending machines. Micromarkets are often critical for warehouse workers, who may have short break times and cannot access prepared food options if their workplaces are situated in areas without nearby quick or reliable food options.

10. Micromarket kiosks not only allow end users to self-scan their selected items, they also facilitate the processing of credit cards and enable foodservice operators to track the inventory sold. The micromarket kiosks are equipped with a screen, an embedded user interface, and payment infrastructure to enable the transaction without the need for a cashier. Foodservice operators purchase micromarket kiosks from vendors, such as 365 and Cantaloupe, and pay these vendors reoccurring monthly use fees as well as a percentage of each transaction made on the device.

11. Other point-of-sale devices are not reasonable substitutes for micromarket kiosks. Other point-of-sale devices are either too sophisticated and cost-prohibitive to be reasonable alternatives, or too rudimentary, lacking critical features that foodservice operators need. Other point-of-sale devices do not aggregate and process small value transactions, provide basic inventory management needed to stock hundreds of different items, and/or provide interoperability with back-end software used by foodservice operators to manage multiple foodservice retail locations and formats.

12. Other unattended retail formats, such as vending machines, are not a substitute for micromarkets and micromarket kiosks. Micromarkets have different hardware costs, return-on-investment, and distinct use cases compared to other unattended retail formats. 365 and Cantaloupe, along with other market participants, analyze and track micromarkets as distinct from vending machines and other foodservice retail formats.

13. Although vending machines are not a reasonable substitute for micromarkets, foodservice operators often simultaneously manage and operate numerous micromarkets, vending machines, and other attended and unattended foodservice retail outlets at different locations. To operate efficiently, some foodservice operators need to aggregate data from these various locations, and different foodservice retail formats, through back-end software platforms. This back-end software includes vending management software (“VMS”) and warehouse management software (“WMS”).

14. VMS enables foodservice operators to aggregate their data, analyze and monitor sales, set prices, and offer promotions simultaneously across all their micromarkets and other foodservice retail formats and locations.

15. WMS enables foodservice operators to optimize the stocking of inventory from the foodservice operators’ warehouses to run efficient routes and restock merchandise across all their micromarkets and other foodservice retail formats and locations.

16. The functionality of these back-end software services is dependent on the seamless flow of information from all the foodservice operators’ deployed micromarket

kiosks, vending machines, and any other point-of-sale devices used at their other foodservice retail formats and locations.

17. This flow of information, or integrations, between micromarket kiosks and back-end software services is common; micromarket kiosks can, and do, interoperate with third-party VMS software. These integrations are effectuated by standards defined by the industry governing body, the National Automatic Merchandising Association (“NAMA”). The NAMA standards currently govern interoperability between micromarket kiosks and VMS, but these standards are voluntary, not mandatory. For WMS to function effectively, WMS needs to integrate with foodservice operators’ VMS, or an alternative aggregated source of sales data, to analyze the foodservice operators’ sales data across all their micromarkets and other foodservice retail formats and locations.

18. The United States is the relevant geographic area in which to assess the competitive effects of the Acquisition in the relevant line of commerce.

IV. THE STRUCTURE OF THE MARKET

19. The market for the sale and provision of micromarket kiosks and related software and services is highly concentrated. 365 and Cantaloupe are two of only a few competitors offering micromarket kiosks and related software and services.

20. 365 dominates the market with roughly 70% share, or higher, of the relevant market. Although a distant second, Cantaloupe believes “[one] could use the term duopoly” to describe the market, with itself and 365 “essentially ... [the] two players that dominate that market.”

21. Cantaloupe, the second largest provider of micromarket kiosks in the United States, represents one of 365’s most serious competitive threats. Besides 365 and Cantaloupe, other competitors may offer micromarket kiosks, but many have a negligible share of the relevant market, and/or lack the significant scale, scope, or core focus on micromarket kiosks to replicate the current closeness of competition between 365 and Cantaloupe.

22. The Acquisition would allow the leading competitor, 365, to acquire its most direct and closest competitor, greatly increasing concentration in the relevant market for micromarket kiosks and related software and services.

23. Cantaloupe also has a significant position in VMS with its “Seed” VMS, used not only by Cantaloupe’s own micromarket kiosk customers, but also those who use other third-party micromarket kiosks and other point-of-sale devices.

24. Cantaloupe’s Seed VMS has existing integrations with numerous third-party point-of-sale devices, including micromarket kiosks, and other software services used by foodservice operators.

25. 365 offers a competing VMS, though its penetration in the market is smaller; to date, only a small percentage of 365's micromarket kiosks are integrated with its Parlevel VMS. 365's Parlevel VMS currently has existing integrations with numerous third-party point-of-sale devices, including micromarket kiosks, and other software services used by foodservice operators.

26. 365 offers the leading integrated software/hardware WMS solution, LightSpeed, that uses lights attachable to shelves to streamline foodservice operators' warehouse loading operations (facilitating the picking of replenishment stocks) and truck routing to their micromarkets and other foodservice retail formats and locations. 365's LightSpeed has existing integrations with numerous third-party VMS and other software services used by foodservice operators. Cantaloupe offers a tablet-based WMS system, called Pick Easy.

V. ENTRY CONDITIONS

27. New entry into the relevant markets would not be timely, likely, or sufficient in magnitude, character, and scope to deter or counteract the anticompetitive effects of the Acquisition.

VI. EFFECTS OF THE ACQUISITION

28. The effects of the Acquisition, if consummated, may be to substantially lessen competition or to tend to create a monopoly in the relevant market for the sale and provision of micromarket kiosks and related software and services in the following ways, among others:

- a. by eliminating direct and substantial competition between 365 and Cantaloupe; and
- b. by increasing the likelihood that 365 could unilaterally exercise market power.

29. The Acquisition eliminates substantial head-to-head competition, making it more likely that the prices of micromarket kiosks and related software and services will increase and quality will decrease.

30. The Acquisition would also provide 365 the ability and incentive to foreclose rivals by eliminating interoperability, or providing less reliable or more costly access, between its own and its rivals' products and services. 365 could deny integrations between competing providers of micromarket kiosks and Cantaloupe's VMS or deny rival VMS or WMS providers the ability to integrate with 365's micromarket kiosks. Given many foodservice operators rely on VMS and WMS—and the seamless integration of those systems with their micromarket kiosks—any diminished interoperability would prevent meaningful competition in the relevant market.

31. If 365 were to unreasonably withhold or inhibit integrations between its micromarket kiosks, card readers, VMS, and WMS and those offered by competitors, competition would be lessened; it would significantly increase barriers to entry in an already concentrated market, and substantially increase already high switching costs for foodservice operators, requiring them to switch multiple products/services in order to obtain more competitive offers or innovative products, which, in turn, would decrease competitive pressure on 365. If 365 were to unreasonably deny or increase the costs of integrations to its rivals, foodservice operators would be harmed; the cost of micromarket kiosks and related software and services may increase, innovation may be lessened, and/or quality may be reduced.

32. By increasing costs to foodservice operators, the Acquisition would increase the cost of food at micromarkets to end consumers, including at the breakroom table of many blue-collar workers.

VII. VIOLATIONS CHARGED

33. The Acquisition described in Paragraph 5 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

34. The Acquisition described in Paragraph 5, if consummated, would constitute a 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.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this first day of May, 2026, issues its Complaint against said Respondents.

By the Commission.

April J. Tabor
Secretary