

MERGER ANTITRUST LAW

LAWJ/G-1469-05
Georgetown University Law Center
Fall 2024

Tuesdays and Thursdays, 3:30 pm – 5:30 pm
Dale Collins

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CLASS 4 ASSIGNMENT

Instructions

Submit by email before class on Thursday, September 5
Send to wdc30@georgetown.edu
Subject line: Merger Antitrust Law: Assignment for Class 4

Assignment

Time: Early 2014
Calls for a memorandum to the client

Albertsons has just approached Safeway with a very attractive purchase offer. Safeway, of course, recognizes that no matter how attractive the purchase price is, Safeway shareholders will receive nothing unless the deal closes.

Alice Smith, the general counsel of Safeway (not really), has asked you (an antitrust attorney at Able and Baker LLP) to send her a short memorandum describing how the antitrust laws might apply to the proposed transaction, the process that the FTC will use in reviewing the merger, and the possible outcomes of the review. Smith knows that you have no data on possible store overlaps and have done no analysis. Smith wants something short but rigorous that she can share with Safeway's senior business people about how the FTC is likely to approach the transaction.

NOTE: The transaction is very confidential, so it is important that you do not identify the parties in the memorandum and use code names instead. The client told us that the code name for the transaction is Project Ceres and that the codenames for Albertsons and Safeway are Bertie and Alexandra, respectively. Be sure to use them and not the actual names in the memorandum. As a general rule, you should always use the codenames that the client supplies. In any event, never include the actual name of the counterparty in a confidential transaction in a memorandum or email. If the client did not give you one, make one up.

Safeway and Albertsons are two, very large supermarket chains that operate in the United States and overlap in a significant number of geographic areas. Safeway operates 1,335 stores in 20 states and the District of Columbia, 13 distribution centers and 20 manufacturing plants, with approximately 138,000 employees. Albertsons operates 1,075 stores and 14 distribution centers in 29 states, with approximately 115,000 associates. The offer price is over \$9 billion.

If you would like further background information on the Albertsons/Safeway deal, see the optional case study on Canvas or AppliedAntitrust.com. There is no need for you to look at these materials unless you are so inclined. All you need to know for the memorandum is that Albertsons and Safeway are major supermarket chains and that they overlap in some cities.