

**DAVID H. ANGELI**, OSB No. 020244  
david@angelilaw.com  
**PETER D. HAWKES**, OSB No. 071986  
peter@angelilaw.com  
ANGELI LAW GROUP LLC  
121 SW Morrison Street, Suite 400  
Portland, OR 97204  
Telephone: (503) 954-2232  
Facsimile: (503) 227-0880

*Attorneys for Defendant Albertsons Companies, Inc.*

(Additional counsel on signature page)

UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON  
PORTLAND DIVISION

FEDERAL TRADE COMMISSION,  
STATE OF ARIZONA,  
STATE OF CALIFORNIA,  
DISTRICT OF COLUMBIA,  
STATE OF ILLINOIS,  
STATE OF MARYLAND,  
STATE OF NEVADA,  
STATE OF NEW MEXICO,  
STATE OF OREGON, and  
STATE OF WYOMING,  
Plaintiffs,

v.

THE KROGER COMPANY and  
ALBERTSONS COMPANIES, INC.,  
Defendants.

Case No.: 3:24-cv-00347

**DEFENDANTS' MOTION TO  
EXCLUDE THE TESTIMONY OF  
DR. EDWARD FOX**

**CERTIFICATION PURSUANT TO LR 7-1(a)(1)**

Defendants have conferred with Plaintiffs regarding this motion, and Plaintiffs oppose the relief sought herein. Pursuant to the Case Management and Scheduling Order, Plaintiffs' response to this motion is due on August 21, 2024.

**MOTION**

Defendants The Kroger Company ("Kroger") and Albertsons Companies, Inc. ("ACI") (together, "Defendants") hereby move this Court to exclude equivocal expert testimony and opinions of Plaintiffs' designated marketing and retailing expert, Dr. Edward Fox, who proposes to testify about the divestiture buyer, C&S, and its ability to compete effectively in the retail grocery industry. Dr. Fox expresses no opinion as to whether C&S will in fact be able to effectively compete in the retail grocery industry after the merger, or whether C&S's expanded retail operations will fail. Instead, he intends to testify only that C&S *may* face certain challenges operating divested stores. Expert testimony that merely speculates on what is possible in a merger transaction is not helpful to the trier of fact. Dr. Fox's opinions about what *may* happen to C&S after the merger are therefore inadmissible under Federal Rule of Evidence 702 and *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993), and should be excluded.

**MEMORANDUM OF LAW**

**I. BACKGROUND**

Plaintiffs hired Dr. Fox, a marketing and retailing professor, to "[REDACTED]" to "[REDACTED]" after acquiring 579 divested stores in connection with the proposed Kroger-Albertsons merger. Fox Expert Report ¶ 24 (Ex. 2)<sup>1</sup>. Across his 182-page expert report and 69-page rebuttal report,

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<sup>1</sup> Citations to "Ex." are to the numbered exhibits attached to the Declaration of A. Joshua Podoll, which is being filed simultaneously herewith.

however, Dr. Fox never clearly opines on whether C&S will be able to effectively compete in the retail grocery industry after the merger. Instead, Dr. Fox simply identifies a variety of challenges C&S may face, including re-bannering costs, building brand equity, operating pharmacies and fuel centers, and integrating IT infrastructure. Fox Expert Report ¶ 26 (Ex. 2). For example, Dr. Fox opines that C&S “[REDACTED]” divested stores, and that operating brands with low brand awareness “[REDACTED]” Fox Expert Report ¶ 38 (Ex. 2) (emphasis added).

But Dr. Fox pointedly declines to opine on C&S’s actual ability to successfully operate the divested stores. At his deposition, he confirmed that he was *not* testifying that C&S “[REDACTED]” or that the package of stores and assets C&S will acquire in the divestiture is “[REDACTED]” Fox Dep. at 50:10–17; 52:3–10 (Ex. 1). And on the issue of whether C&S will “[REDACTED]” Dr. Fox admitted that he “[REDACTED]” Dep. at 52:11–23 (Ex. 1). He also admitted that he was “[REDACTED]” that the potential challenges he identified “[REDACTED]” at the divested stores or that “[REDACTED]” Fox Dep. at 54:24–55:1 (Ex. 1).

At most, Dr. Fox opines that “[REDACTED]” then “[REDACTED]” Fox Rebuttal Report ¶ 13(a) (Ex. 3) (emphasis added).

## II. LEGAL STANDARD

Federal Rule of Evidence 702 allows admission of “scientific, technical, or other specialized knowledge” by a qualified expert only if, among other things, the testimony will assist “the trier of fact to understand the evidence or to determine a fact in issue.” Fed. R. Evid. 702(a). In interpreting Rule 702, the Supreme Court charged district courts to act as “gatekeep[ers],”

applying a two-part test to ensure that all expert testimony is (1) reliable and (2) relevant. In other words, the proposed expert opinions must “fit” the facts of the case at hand. *See Daubert*, 509 U.S. at 591, 597–98. Trial courts have broad discretion to exclude expert testimony that does not meet these standards. *Kumho Tire Co., Ltd. v. Carmichael*, 526 U.S. 137, 151–52 (1999).

“[A]n expert, no matter how good his credentials, is not permitted to speculate.” *Goebel v. Denver & Rio Grande W. R.R. Co.*, 215 F.3d 1083, 1088 (10th Cir. 2000). Unsupported speculation does not assist the trier of fact in determining a fact in issue, nor is it reliable. *Pierce v. Atrium TRS V, LLC*, 2018 WL 2977383, at \*2 (D. Or. June 13, 2018). An expert witness impermissibly speculates when he or she can only theorize about hypothetical possibilities, but cannot offer concrete opinions about facts at issue in a case. *See Barefoot v. Weyerhaeuser NR Co.*, 729 F. App’x 300, 303 (5th Cir. 2018) (per curiam) (rejecting opinion where witness “refused” to opine if key event at issue actually happened, because “equivocation does not assist the trier of fact” to “determine a fact in issue”) (internal quotation marks omitted).


Consistent with those principles, courts routinely exclude the testimony of experts who “leave a trail of equivocation” by making a series of conditional, vague statements and failing to offer a clear opinion about a relevant issue at trial. *McClain v. Metabolife Int’l, Inc.*, 401 F.3d 1233, 1240–41 (11th Cir. 2005); *see also, e.g., Mink Mart, Inc. v. Reliance Ins. Co.*, 65 F. Supp. 2d 176, 181 (S.D.N.Y. 1999), *aff’d*, 12 F. App’x 23 (2d Cir. 2000) (excluding testimony of expert whose “speculation [was] itself premised on speculation”). Exclusion is particularly appropriate when the expert admits that he or she is unable to offer concrete opinions on issues relevant to the case and their claimed area of expertise. *Baker v. SeaWorld Ent., Inc.*, 423 F. Supp. 3d 878, 915 (S.D. Cal. 2019) (excluding as irrelevant an expert’s opinion where he “concede[d] that he is not offering an affirmative opinion” on an issue relevant to plaintiffs’ claims).

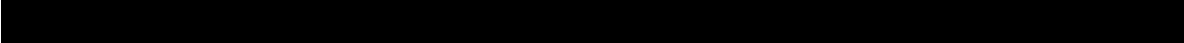
### III. ARGUMENT

For multiple reasons, this Court should exclude Dr. Fox’s testimony concerning C&S’s ability to compete in the retail grocery industry following the divestiture acquisition.

*First*, Dr. Fox fails to offer any concrete opinion on a central issue within his purported expertise: whether C&S will successfully compete with Kroger after the merger. Plaintiffs’ Complaint alleges that the proposed divestiture to C&S “will fail to mitigate the substantial harm to consumers and workers from lost competition between Kroger and Albertsons,” because it “does not contain sufficient assets to enable C&S...to maintain or replicate the competitive intensity that currently exists between Kroger’s and Albertsons’s supermarkets.” Compl. ¶¶ 11, 106. This allegation underlies Plaintiffs’ critique of Kroger and Albertsons’ proposed divestiture package. But on this issue, Dr. Fox admits he “[REDACTED].” Dep. at 52:11–23 (Ex. 1). By not offering a concrete opinion on C&S’s success as a divestiture buyer, Dr. Fox fails to “assist the trier of fact to...determine a fact in issue.” *Barefoot*, 729 F. App’x at 303 (internal quotation marks omitted).

*Second*, Dr. Fox fails even to offer a concrete opinion on certain *challenges* C&S could face after the Kroger-Albertsons merger, including to what extent these challenges will actually materialize or have any negative effect on C&S’s competitive performance. Instead, he relies on “a trail of equivocation” when assessing the impact of potential challenges on C&S’s success. *McClain*, 401 F.3d at 1240–41. For example, Dr. Fox notes that certain challenges that may arise out of the divestiture “[REDACTED],” which “[REDACTED]” Fox Report ¶ 223 (Ex. 2) (emphasis added). He speculates that the support C&S will receive under the Transition Services Agreement “[REDACTED]” and ultimately “[REDACTED].” Fox Report ¶¶ 68–69 (Ex. 2) (emphasis added). But Dr. Fox is unable to opine that

certain alleged “deficits” in C&S’s capabilities *will* actually affect C&S’s success in competing after the merger. At most, he can testify that *if* these deficits “ ”

 Fox Rebuttal Report ¶ 13(a) (Ex. 3) (emphasis added). This “speculation...premised on speculation” is not helpful to the trier of fact and should be excluded under Rule 702. *Mink Mart, Inc.*, 65 F. Supp. at 181.

#### **IV. CONCLUSION**

For the reasons discussed above, Defendants respectfully request that the Court exclude the expert testimony of Dr. Fox related to C&S’s ability to compete in the retail grocery industry after the Kroger-Albertsons merger, to the extent such opinions are based on equivocation.

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ANGELI LAW GROUP LLC

/s/ David H. Angeli

DAVID H. ANGELI, Bar No. 020244  
david@angelilaw.com  
PETER D. HAWKES, Bar No. 071986  
peter@angelilaw.com  
121 SW Morrison Street, Suite 400  
Portland, OR 97204  
Telephone: 503.954.2232

AND

DEBEVOISE & PLIMPTON LLP

EDWARD D. HASSI (*Pro Hac Vice*)  
thassi@debevoise.com  
801 Pennsylvania Avenue NW  
Washington, DC 20004  
Telephone: 202.942.5000

MICHAEL SCHAPER (*Pro Hac Vice*)  
mschaper@debevoise.com  
SHANNON ROSE SELDEN (*Pro Hac Vice*)  
rselden@debevoise.com  
J. ROBERT ABRAHAM (*Pro Hac Vice*)  
jrabraham@debevoise.com  
NATASCHA BORN (*Pro Hac Vice*)  
nborn@debevoise.com  
66 Hudson Boulevard  
New York, NY 10001  
Telephone: 212.909.6000

AND

WILLIAMS & CONNOLLY LLP

ENU A. MAINIGI (*Pro Hac Vice*)  
emainigi@wc.com  
JONATHAN B. PITT (*Pro Hac Vice*)  
jpitt@wc.com  
A. JOSHUA PODOLL (*Pro Hac Vice*)  
apodoll@wc.com  
THOMAS W. RYAN (*Pro Hac Vice*)

STOEL RIVES LLP

/s/ B. John Casey

B. JOHN CASEY, OSB No. 120025  
john.casey@stoel.com  
RACHEL C. LEE, OSB No. 102944  
rachel.lee@stoel.com  
JACOB GOLDBERG, OSB No. 162565  
jacob.goldberg@stoel.com

AND

ARNOLD & PORTER KAYE SCHOLER LLP

MATTHEW M. WOLF (*Pro Hac Vice*)  
matthew.wolf@arnoldporter.com  
SONIA K. PFAFFENROTH (*Pro Hac Vice*)  
sonia.pfaffenroth@arnoldporter.com  
JOSHUA M. DAVIS (*Pro Hac Vice*)  
joshua.davis@arnoldporter.com  
KOLYA D. GLICK (*Pro Hac Vice*)  
kolya.glick@arnoldporter.com  
JASON C. EWART (*Pro Hac Vice*)  
jason.ewart@arnoldporter.com  
MICHAEL E. KIENTZLE (*Pro Hac Vice*)  
michael.kientzle@arnoldporter.com  
MATTHEW M. SHULTZ (*Pro Hac Vice*)  
matthew.shultz@arnoldporter.com  
DAVID B. BERGMAN (*Pro Hac Vice*)  
david.bergman@arnoldporter.com  
MICHAEL L. WALDEN (*Pro Hac Vice*)  
mike.walden@arnoldporter.com  
YASMINE L. HARIK (*Pro Hac Vice*)  
yasmine.harik@arnoldporter.com  
ALLISON GARDNER (*Pro Hac Vice*)  
allison.gardner@arnoldporter.com  
BARBARA H. WOOTTON (*Pro Hac Vice*)  
barbara.wootton@arnoldporter.com  
CHRISTIAN SCHULTZ (*Pro Hac Vice*)  
christian.schultz@arnoldporter.com  
DAVID EMANUELSON (*Pro Hac Vice*)  
david.emanuelson@arnoldporter.com  
MEI-WAH LEE (*Pro Hac Vice*)  
mei-wah.lee@arnoldporter.com

tryan@wc.com  
TYLER INFINGER(*Pro Hac Vice*)  
tinfinger@wc.com  
WILLIAM ASHWORTH (*Pro Hac Vice*)  
washworth@wc.com  
680 Maine Avenue SW  
Washington, DC 20024  
Telephone: 202.434.5000

AND

DECHERT LLP

JAMES A. FISHKIN (*Pro Hac Vice*)  
james.fishkin@dechert.com  
MICHAEL COWIE (*Pro Hac Vice*)  
mike.cowie@dechert.com  
ELENA KAMENIR (*Pro Hac Vice*)  
elena.kamenir@dechert.com  
1900 K Street NW  
Washington, DC 20006  
Telephone: 202.261.3300

HOWARD. M. ULLMAN (*Pro Hac Vice*)  
howard.ullman@dechert.com  
45 Fremont St, 26th Floor  
San Francisco, CA 94105  
Telephone: 415.262.4500

ROSS UFBERG (*Pro Hac Vice*)  
ross.ufberg@dechert.com  
YOSEF WEITZMAN (*Pro Hac Vice*)  
yosi.weitzman@dechert.com  
Cira Centre  
2929 Arch Street  
Philadelphia, PA 19104  
Telephone: 215.994.2422

*Attorneys for Defendant Albertsons  
Companies, Inc.*

WILSON DELOSS MUDGE (*Pro Hac Vice*)  
wilson.mudge@arnoldporter.com  
601 Massachusetts Avenue, NW  
Washington, DC 20001  
Telephone: 202.942.5000

JOHN A. HOLLER (*Pro Hac Vice*)  
john.holler@arnoldporter.com  
250 W 55th Street  
New York, NY 10019  
Telephone: 212.836.8000

BRIAN K. CONDON (*Pro Hac Vice*)  
brian.condon@arnoldporter.com  
777 S. Figueroa Street, 44th Floor  
Los Angeles, CA 90017  
Telephone: 213.243.4000

JEREMY T. KAMRAS (*Pro Hac Vice*)  
jeremy.kamras@arnoldporter.com  
Three Embarcadero Center, 10th Floor  
San Francisco, CA 94111  
Telephone: 415.471.3100

AND

WEIL, GOTSHAL & MANGES LLP

MARK A. PERRY (*Pro Hac Vice*)  
mark.perry@weil.com  
LUKE SULLIVAN (*Pro Hac Vice*)  
luke.sullivan@weil.com  
JASON N. KLEINWAKS (*Pro Hac Vice*)  
jason.kleinwaks@weil.com  
2001 M Street, NW, Suite 600  
Washington, DC 20036  
Telephone: 202.682.7000

LUNA N. BARRINGTON (*Pro Hac Vice*)  
luna.barrington@weil.com  
767 Fifth Avenue  
New York, NY 10153  
Telephone: 212.310.8000

SARAH M. STERNLIEB (*Pro Hac Vice*)  
sarah.sternlieb@weil.com



700 Louisiana Street, Suite 3700  
Houston, TX 77002  
Telephone: 713.546.5000

BAMBO OBARO (*Pro Hac Vice*)  
bambo.obaro@weil.com  
201 Redwood Shores Parkway  
Redwood Shores, CA 94065  
Telephone: 650.802.3000

THOMAS B. FIASCONE (*Pro Hac Vice*)  
tom.fiascone@weil.com  
REBECCA SIVITZ (*Pro Hac Vice*)  
rebecca.sivitz@weil.com  
100 Federal Street, Floor 34  
Boston, MA 02110  
Telephone: 617.722.8314

*Attorneys for Defendant The Kroger Company*