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## FTC Files Suit to Block Takeover by Whole Foods

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The Federal Trade Commission filed a lawsuit to block **Whole Foods Market** Inc.'s proposed \$565 million buyout of its chief rival, Wild Oats Markets Inc., saying the deal would violate antitrust law and would raise prices for consumers.

The suit, in U.S. District Court in Washington, was filed under a court seal because it contained proprietary business information, officials said. A public version of the case wasn't available.

Shares of Whole Foods fell \$1.23, or 3%, to \$39.25 in 4 p.m. Nasdaq Stock Market composite trading yesterday. Shares of Wild Oats dropped 29 cents, or 1.7%, to \$16.87.

The FTC said Tuesday that it would file the complaint, one of few recent efforts by Bush administration regulators to try to squelch a merger between direct rivals.

A Whole Foods spokeswoman said the company had no comment yesterday. Whole Foods has said it will vigorously oppose the lawsuit. The Austin, Texas, company retained the Washington office of the law firm Vinson & Elkins LLP as counsel on the matter.

A Wild Oats spokeswoman said the company declined to comment. The Boulder, Colo., company has said it will join Whole Foods in fighting the federal opposition.

Whole Foods and Wild Oats, which together have about 300 stores, compete in metropolitan areas such as Los Angeles, Phoenix and Chicago.

--John R. Wilke contributed to this article.

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