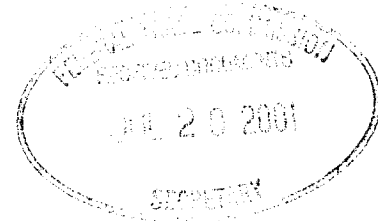




Gary Hammett
Vice President
Real Estate Development

July 17, 2001



VIA FEDERAL EXPRESS

Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580

RE: FTC File No. 981-0339
Albertson's/American Stores Matter
SavMax Store No. 311 Apple Valley - Sale to Ralphs Grocery Company
(Former Albertson's Store No. 1609)

To: Federal Trade Commission:

Pursuant to the Albertson's/American Stores Consent Order, File No. 981-0339 ("Order"), between Unified Western Grocers, Inc. ("Unified"), formerly known as Certified Grocers of California, Ltd., and the Federal Trade Commission ("Commission"), Unified hereby applies for approval from the Commission to sell SavMax Store No. 311, currently operating under the "SavMax" trade name, located at 20801 Bear Valley Road, Apple Valley, California 92307, to Ralphs Grocery Company ("Ralphs"), (please see attached Letter of Intent marked Exhibit A.)

While this letter application itself is public, all attachments are submitted on a confidential basis under the Commission rules. Unified also requests elimination or early termination of the comment period so that the transaction can promptly close and the store ownership transfer can take place.

Schedule A to the Order identifies the stores that were divested to Unified. One of those stores was Albertson's Store No. 1609 in Apple Valley, California which was opened and is operating as SavMax Store No. 311. While SavMax No. 311 Apple Valley is currently operating, (please see attached operating statement marked Exhibit B and operating loss summary marked Exhibit C for more information on the store's current and historical financial performance), in the event that the transaction discussed herein is not completed, it is likely that Unified will close SavMax No. 311 in the near future because of continuing operating losses.

Under paragraph VI B. of the Order, for three (3) years after the Order becomes final, Unified "shall not sell or otherwise convey, directly or indirectly, any remaining Schedule A Assets, except to an Acquirer approved by the Commission and only in a manner that receives the prior approval of the Commission."

Unified has invested significant time, effort and resources in operating the subject store following our acquisition of Albertson's divestiture stores in September, 1999. In spite of the significant costs associated with advertising and marketing efforts (please see exhibit B for YTD advertising expenses), this store has not met sales expectations (please see attached weekly sales history marked Exhibit D), and thus is operating at a significant loss. As a result, Unified desires to sell its interest in the subject store.

In order to attract potential acquirers for Unified's interest in the store, many contacts were made with Unified's member retailers and contacts were also made with several competitive retailers as well (please see attached contacts list marked Exhibit E for more specific information regarding Unified's internal efforts to market the store). After extensive efforts, Unified has been unable to obtain the interest of a potential acquirer for the Apple Valley store through our own marketing efforts.

When Unified's own marketing efforts failed to produce any interested acquirers for the Apple Valley store, Unified listed that store with a Real Estate Broker, Pentz and Partners. Our contact with Pentz is Ms. Lori Gast, who can be reached at (949) 756-1022. Pentz was able to interest a potential acquirer in the Apple Valley store. Unified has signed a Letter of Intent, subject to approval, with Ralphs. Our agreement with Ralphs does not restrict Ralphs in any way from operating the store as a supermarket. It is our understanding that Ralphs intends to operate the supermarket as a Food 4 Less store. Our contact at Ralphs is Ms. Laura Piaz, who can be reached at (310) 884-2913.

For additional information in support of Unified's request to sell one (1) of the stores, we refer you to the following; photos and information regarding our initial investment in the store (marked Exhibit F), and in addition, a market area study performed by Thompson and Associates (please see attached Exhibit G), which details the sales and market share information for the Apple Valley/Hesperia/Victorville, California market area.

We believe that the acquisition of SavMax No. 311 Apple Valley by Ralphs will not adversely affect competition because Ralphs, (currently operates 2 stores with approximately 6.9% market share), and Food 4 Less, (currently operates 2 stores with approximately 11.2% market share), combined currently have only four (4) existing stores in the entire Victor Valley market area. In addition, according to the Thompson market study, Ralphs and Food 4 Less stores combined are currently second (2nd) in total market share (approximately 18.1%), and even if Ralphs and Food 4 Less are successful enough to combine all of their current market share with all of the existing SavMax market share (approximately 1.9%), Ralphs and Food 4 Less will likely remain in second (2nd) place for market share (approximately 20.0%) due to the relative strength of, and multiple stores operated by, other competitors in the market area. For example, according to the Thompson market study, Stater Bros. has the greatest number of stores (6) and the number one market share by far (approximately 32.4%). In addition, it should be noted that a Unified member, King Ranch, recently opened one (1) independent store in the market area with respectable market share (approximately 3.2%).

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Unified thus requests approval from the Commission under the Order for the sale of Store No. 311 as described above. If you require additional information, please call me at (323) 264-5200, ext. 4700, or in my absence, please contact Robert M. Ling, Jr., Unified's Executive Vice President and General Counsel, at the same number, ext. 4285. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Gary C. Hammett". The signature is fluid and includes a long horizontal flourish at the end.

Gary C. Hammett

attachments

cc: Robert M. Ling, Jr.

The following confidential exhibits are redacted.

Exhibit A

Exhibit B

Exhibit C

Exhibit D

Exhibit E

Exhibit F

Exhibit G