DATE: March 12, 2009

TO: The Federal Trade Commission

FROM: Anonymous

SUBJECT: Whole Foods Market – FTC Settlement: Public Comment on Final Ruling due by April 6, 2009

A member of the public writes on behalf of the American public to offer public comment on the proposed Whole Foods Market – FTC settlement, the Final Rule of which may be decided after this public comment period.

The writer of this public comment is highly qualified to offer substantive comments, having worked at Whole Foods for over ten years. The public does not believe that the proposed settlement is fair. The proposed settlement (i.e., sale of 32 stores, IP, and related assets in 17 markets) does not make Wild Oats whole again; rather, the proposed settlement makes Whole Foods more whole and likely will lead to the complete dissolution of Wild Oats as an operating entity, thereby defeating the whole purpose of the FTC's actions. The proposed settlement is not within the spirit of the FTC's intent to recreate competition in the American organic/natural foods specialty retail sector.

Prior to the Whole Foods acquisition of Wild Oats, there were 74 Wild Oats stores in 24 states. The proposed settlement does not restore Wild Oats to the same level of competition that existed prior to Whole Foods Market acquiring Wild Oats. The proposed settlement effectively eviscerates Wild Oats, making it fantastically difficult, if not impossible, for Wild Oats to recover the *status quo ante*. In other words, Whole Foods accomplished exactly what it intended to: Whole Foods got rid of its last competitor, clearing the path for Whole Foods to secure a monopoly of the organic/natural foods specialty retail sector in the United States. This does not accomplish the intent of the FTC in undoing the merger.

Whole Foods primary concern is not organics/natural foods, but instead money. Whole Foods did not build its company by opening virginal stores and growing them one by one. Throughout Whole Foods' three-decade history, Whole Foods waged an aggressive business war of attrition by bullying other companies, underselling other companies then taking over other companies. Just look at Whole Foods' history of acquiring other companies to see the pattern:

> Wellspring of North Carolina; Bread & Circus and Nature's Heartland, both in New England; Mrs. Gooch's of Los Angeles; Bread of Life and Natural Abilities (formerly Food for Thought), both in Northern California; Fresh Fields on the East Coast and in the Midwest; Bread of Life in Florida; Merchant of Vino in Michigan; Harry's Farmers Market in Georgia; and Select Fish in Washington State.

The immediately foregoing is only a partial list of Whole Foods' "acquisitions" (Wild West-like bullying tactics really: *Join us or be driven out of business!*) or of the many companies that were put out of business as a direct result of Whole Foods' actions. This disrupted thousands of people's lives after resultant store closures. Whole Foods' business style has been nothing other than thirty years as a juggernaut, building only itself up, streamlining operations, an effort at mass producing organic/natural foods, and transforming a specialty area into a Taylorist/Sloanist money-making scheme, sating Wall Street rather than American organic/natural food consumers.

After every acquisition, Whole Foods shut down numerous stores of the newly acquired companies, and the first thing Whole Foods did immediately after the "merger" with Wild Oats was shut down nine different Wild Oats stores. So many people suffered because of Whole Foods' acquisition of Wild Oats, as was the case immediately after every acquisition carried out by Whole Foods (there were never any mergers, just ruthless, money-grabbing takeovers of weaker companies).

The proposed settlement is not recreating competition. Whole Foods should be made to restore Wild Oats to the company that Wild Oats was prior to Whole Foods acquiring Wild Oats, regardless of the dollar cost of restoring Wild Oats to 74 stores in 24 states. That would recreate genuine competition in the organic/natural food specialty retail sector, as it was <u>before</u> Whole Foods trampled over final competitor.

Rather than spending billions of dollars on opening hundreds more Whole Foods stores (and that is exactly Whole Foods' plan: before I quit Whole Foods continually stated, "We are planning on doubling our company size in the next ten years to 400 stores."), Whole Foods should be made to restore Wild Oats—its only competitor—to the company Wild Oats was prior to the acquisition. Whole Foods has the money.

Whole Foods has the ability to restore Wild Oats to the *status quo ante* rather than open another 100 or more new Whole Foods stores. Once Whole Foods opens these new stores, Wild Oats will be forced out of business for good, and Whole Foods will have a *de facto* monopoly on the American organic/natural foods specialty retail sector. Wild Oats will be gone forever or essentially incapable of providing full service to the American organic/natural foods specialty retail sector.

Ask any United States Representative in any of the Districts in which Wild Oats stores were closed, and ask any city Mayor in any of the cities in which Wild Oats stores were closed, and any one of either set of persons will confirm that those local communities in every one of those areas experienced economic distress as a result of those store closures. Every one of those United States Representatives or city Mayors would like to see the *status quo ante* restored. This is a national issue affecting literally hundred of thousands of American consumers and local communities throughout the nation.

The public strongly recommends that the proposed FTC – Whole Foods settlement not go through.

cc: Ylan Q. Mui
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