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ATTORNEY GENERAL RAOUL FILES LAWSUIT TO HALT \$4 BILLION PAYOUT TO ALBERTSONS SHAREHOLDERS
Payout Would Financially Decimate Albertsons Before Merger Review is Complete

Chicago — Attorney General Kwame Raoul today joined the attorneys general of California and the District of Columbia in filing a lawsuit against Albertsons and Kroger to stop a nearly \$4 billion payout to Albertsons’ shareholders, until the attorneys general complete a full review of the proposed merger. The scheduled payout – 57 times greater than the dividends Albertsons has historically provided – would severely limit Albertsons’ cash on hand and deprive it of money needed to compete effectively.

The suit comes just days after Raoul and a bipartisan coalition of attorneys general [publicly urged Albertsons](#) to halt the scheduled Nov. 7 payout.

“The proposed Albertsons-Kroger merger would represent a major shakeup of the supermarket industry in Illinois at a time families continue to struggle with increased food prices from inflation,” Raoul said. “With so much at stake, it is imperative our merger review process continues, allowing us to evaluate the effect of this merger on workers and consumers, particularly in historically disinvested neighborhoods already lacking healthy food access. Neither company should be attempting to undermine our review process.”

[In their lawsuit](#), filed in the U.S. District Court for the District of Columbia, Raoul and the coalition argue the proposed “special dividend” would violate federal and state antitrust laws by rendering Albertsons less able to compete effectively with other supermarkets, including Kroger, and restrain trade in violation of Section 1 of the Sherman Act. Raoul and the coalition are concerned Albertsons – which would be strapped for cash after the payout – would be hampered in its ability to advertise, provide promotions, price competitively, and maintain staffing and staff wages and benefits. Organizations knowledgeable about labor conditions have also raised significant concerns that the dividend will make it more difficult for Albertsons to compete for labor by reducing Albertsons’ ability to offer wage increases, pensions or store improvements.

Raoul and the coalition are asking the court to block Albertsons from issuing the payout to shareholders until a full review of the proposed merger agreement can be completed.

The proposed supermarket merger would be significantly felt in Illinois, as two of the Chicago area’s major grocery chains, Jewel-Osco and Mariano’s, are owned by Albertsons and Kroger. The impact of a merger is intensified with inflation continuing to run at historically high levels. Consumer grocery prices rose 12.2% from 2021 to 2022, marking the biggest jump in more than 40 years. Meanwhile, the private equity investors who control the grocery chains will have gained profits [nine times larger](#) than their original investments in 2006 if the merger is approved.

Joining Raoul in filing today’s lawsuit are the attorneys general of California and the District of Columbia.

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