

Front Lines

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The True Value/Home & Garden Showplace Deal

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Two weeks ago, it was announced that a D.C.-based private equity firm had agreed to take the majority stake in True Value. The firm, Acon Investments, will receive a 70% stake in the national hardware cooperative with 30% of the firm remaining in the hands of its member retailers. Acon's investment goes in part to return 70% of retailers' investment capital, plus promissory notes and dividends.

As of press time the deal wasn't quite set yet, as it was waiting for an approval vote of more than 50% of member retailers to take place in mid-April.

How will this impact Home & Garden Showplace members? Jean Niemi, Vice President of Communications for True Value, essentially said in an email communication that the same deal goes for them.

"I can tell you that all members, including Home & Garden Showplace Members, will get 70% of their A&B stock and 100% of their notes, subject to set-off for amounts owed to True Value," she said.

Home & Garden Showplace members, how do you feel about this turn of events? As I take it, the co-op format is gone and now other retailers have access to products that once were just yours. Does it matter? Or not? We would love to hear your thoughts on this. Weigh in by emailing ewells@ballpublishing.com. **GP**