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PROGRESSIVE GROCER

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Associated Wholesale Grocers Sells Stores to Employees

The management and employees of Homeland Acquisition Corp. (HAC) have completed an employee buyout (EBO) transaction enabling employees to purchase 100 percent of the company, which operates 76 retail grocery stores, from Associated Wholesale Grocers (AWG), a Kansas City, Kan.-based retail-owned cooperative. The deal closed on Tuesday, Dec. 27.

According to AWG President and CEO Jerry Garland: “Since the AWG acquisition of a number of these stores brought them out of bankruptcy in 2002, this management and employee team has completed a turnaround and is now on solid footing to build a more competitive organization focused on meeting their customers’ needs.”

“AWG has been a very progressive owner, investing in remodeling and updating locations,” said Darryl Fitzgerald, president of Oklahoma City-based HAC, which comprises Homeland, United of Oklahoma and Country Mart stores in Oklahoma, and Super Save stores in north central Texas. “They furnished us with the resources to help our company recover and then begin to grow. The turnaround of these stores has been the direct result of our hardworking, dedicated employees. It is gratifying to see those efforts rewarded with ownership.”

The conversion of HAC to an employee-owned company will occur through an employee stock ownership plan (ESOP). Employees will be credited with shares of company stock annually, which will become vested based on the employees’ service to the company, and the value of the stock earned will later be paid to the employees.

“Employee ownership ensures everyone’s mutual interest is absolutely aligned in the business,” noted Fitzgerald. “In that regard, we are all focused on providing the best service possible to our customers.”

Details of the private transaction weren’t disclosed.