

Peaches®



June 8, 2000

To: Office of the Secretary
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington D.C. 20580

Peaches Entertainment Corporation operates 12 stores located in Virginia, Florida, Alabama, and North Carolina.

We strongly oppose your movement to eliminate the use of Minimum Advertised Price (Map Policies) by our music distributors. It is our belief MAP is an effective tool to prevent predatory pricing. The United States Antitrust laws are designed to promote competition, not predatory pricing. If MAP is eliminated, scores of music retailers will be forced to close because the large big box retailers will sell product below cost.

These large box retailers, like Circuit City, Best Buy, Walmart, and Target, will be in a position to use music as a loss leader in hopes of driving more traffic to their higher end electronic products and appliances, which traditional music retailers do not sell. Traditional music retailers will have no ability to combat such loss leader pricing.

Once these big box retailers put the smaller retailers out of business, there will be less competition, and therefore, prices will then rise again. Therefore, you will have higher prices and less competition, which of course the laws of this country are designed to prevent.

Sincerely,

Brian Wolk
Executive Vice President

PEACHES ENTERTAINMENT CORPORATION

1180 East Hallandale Beach Blvd. • Hallandale, Florida 33009 • Tel: (954) 454-5554 • Fax: (954) 454-9828