

**NOTICE OF PROPOSED SETTLEMENT OF EMPLOYMENT  
DISCRIMINATION CLASS ACTION AND FAIRNESS HEARING**

This Notice, which has been approved by the United States District Court for the Northern District of California, advises you of the preliminary approval of the settlement of an employment discrimination class action lawsuit filed against Best Buy. The Settlement Classes are composed of African Americans, Latinos, and/or females who worked at Best Buy at some time after December 8, 2005 in non General Manager, non “Geek Squad” positions.

Under the proposed settlement, which the Court granted preliminary approval to on August 3, 2011, Best Buy will make certain changes to its policies and practices (as set forth below in summary form and in full at BBClassaction.com) in exchange for the Settlement Classes releasing certain class discrimination claims for injunctive and declaratory relief. A final approval hearing on the proposed settlement is scheduled for November 9, 2011 at 9:00 a.m.

Please read this Notice carefully. It contains important information about your legal rights concerning the proposed settlement of this lawsuit. This Notice covers the following topics:

1. What is this lawsuit about?
2. What is a class action lawsuit?
3. Who are the members of the Settlement Classes?
4. What are the benefits of the proposed settlement?
5. How could the settlement affect your legal rights?
6. What service payments are the Named Plaintiffs seeking in recognition of the work they performed for the Classes?
7. Will the Named Plaintiffs settle their individual claims?
8. What Attorneys’ Fees and what reimbursement of out-of -pocket costs are Class Counsel seeking?
9. How can you comment on, or object to, the proposed settlement, Class Counsel’s application for attorneys’ fees and costs, or Named Plaintiffs’ motion for service payments?
10. When and where will the Fairness Hearing take place?
11. How can you get more information?

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**IMPORTANT DEADLINES**

- If you want to comment on, or object to the proposed settlement, Class Counsel’s Application for Attorneys’ Fees and Costs, or the Motion for Service Payment to Class Representatives, your comment or objection must be postmarked by October 1, 2011, and sent to the address in Section 9.
  - A Fairness Hearing will be held on November 9, 2011 at 9:00 a.m.
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## **1. What is this lawsuit about?**

Jasmen Holloway, Amy Garcia, Cheryl Chappel, Eric Blacksher, Jessica Treas, Lawrence Santiago, Jr., Muembo Muanza, Maurice Calhoun, and Nicholas Dixon, eight current and former employees of Best Buy and one applicant to work at Best Buy (the "Named Plaintiffs") filed this class action lawsuit against Best Buy, claiming that the company has discriminated against employees and job applicants on the basis of race, color, national origin, and/or gender. The lawsuit alleges that Best Buy has discriminated against African Americans, women, and Latinos, by denying them employment, desirable job assignments, promotions/transfers, and equal exempt compensation. Best Buy has denied any wrongdoing.

This lawsuit is currently before Judge Phyllis J. Hamilton, United States District Court Judge for the Northern District of California. The case is known as *Holloway v. Best Buy* (case No. C 05-5056) (N.D. Cal.).

Judge Hamilton has not decided in favor of the plaintiffs or in favor of Best Buy, and she has not decided whether the case can continue as a class action. Instead, both sides have agreed to the proposed settlement before trial.

## **2. What is a class action lawsuit?**

A class action is a lawsuit in which one or more people (the named plaintiffs) sue on behalf of a group of people who have similar claims. The entire group of people is known as the "class." In a class action, one lawsuit decides the claims for the entire class. If both sides in a class action decide to settle the case instead of taking it to trial, the settlement, if approved by the Court, affects the legal rights of the entire Settlement Class.

## **3. Who are the members of the Settlement Classes?**

**African American class:** All African Americans who were employed in Best Buy retail stores within the United States for one or more days beginning on or after December 8, 2005 (the date the Complaint was filed) through the date that the Consent Decree terminates.

**Latino class:** All Latinos who were employed in Best Buy retail stores within the United States for one or more days beginning on or after December 8, 2005 (the date the Complaint was filed) through the date that the Consent Decree terminates.

**Female class:** All women who were employed in Best Buy retail stores within the United States for one or more days beginning on or after December 8, 2005 (the date the Complaint was filed) through the date that the Consent Decree terminates.

None of the classes include Best Buy General Managers (for the time period during which Best Buy employed them as General Manager); persons who occupied

Geek Squad or Service positions (for the time period during which they occupied those positions); or employees of Magnolia stand-alone stores (for the time period during which Magnolia employed them).

**4. What are the benefits of the proposed settlement?**

In exchange for the dismissal of the lawsuit and the release of class claims for declaratory and injunctive relief (see section 5), Best Buy will make certain changes to its employment practices to enhance equal employment opportunity at Best Buy.

Best Buy will designate an officer who will make sure that these changes are implemented and report to the Board of Directors and to the Court on the company's progress each year until the agreement expires. The terms of the proposed settlement agreement will last 4 years, and Best Buy will make a good faith effort to implement the changes as soon as reasonably possible. The Court will continue to have jurisdiction over the case until the term of the Decree expires. A summary of the Consent Decree's provisions requiring changes to Best Buy's policies and procedures is as follows:

**A. General Non-Discrimination Provisions**

Best Buy agrees to continue to maintain non-discrimination, anti-harassment, complaint, and anti-retaliation policies, and agrees not to put into effect any policies or practices that discriminate against any employee on the basis of gender or race.

**B. Communications**

Best Buy will give a copy of its non-discrimination and anti-harassment policies to new hires, and will post these policies each year on the company's intranet website. Additionally, an officer will make a live statement in support of these policies at any annual national or regional meetings of retail store general managers.

**C. Hiring and Initial Job Assignment**

Best Buy has developed and will use selection procedures, including interview guides that have been, and will be, reviewed by an expert industrial organizational psychologist, to fill all retail store positions. The procedures will reiterate Best Buy's commitment to recruiting and retaining qualified diverse candidates, including African Americans, Latinos, and women. Best Buy will train staff regularly in how to use these procedures and will regularly audit to ensure the selection procedures are being followed.

Best Buy will post descriptions of available positions on the online application system. Best Buy will also create a new position whose purpose will be to oversee

Best Buy's processes for recruiting and retaining diverse management candidates throughout the organization.

**D. Promotions and Transfers**

Best Buy will create an electronic process for retail store employees to register their interest in any full-time, senior, supervisor, and/or exempt position. Employees will be allowed to register their interest without approval from their managers. The registration of interest will remain current for 6 months, after which point employees will need to re-register. Best Buy will remind employees of the need to re-register on its intranet website.

Managers will use the registry to fill any open full-time, senior, supervisor, or exempt manager positions and will first consider promoting current employees who have registered an interest before hiring outside candidates or employees who have not registered their interest. Best Buy will regularly audit to ensure these procedures are followed.

**E. Job Analysis**

With the help of an independent outside expert, Best Buy has developed minimum eligibility requirements for retail store supervisor positions.

**F. Posting**

Best Buy will post all open senior, supervisor, and exempt manager positions on an electronic system available to all retail store employees for 5 days before filling the position. In some situations, however, Best Buy will not have to post the opening. These include employee-initiated transfers, company reorganization, and other business reasons, but not including preference for a certain candidate. Best Buy will accept applications for exempt manager positions electronically. Best Buy will audit to ensure these procedures are followed.

**G. Promotion Decisions**

Best Buy has developed procedures for selecting employees for promotion with the help of expert psychologists. Best Buy will regularly train staff on how to use these procedures, which will reiterate Best Buy's interest in developing qualified diverse candidates and its commitment to diversity in race, color, national origin, and gender. Best Buy will audit to ensure these procedures are followed.

**H. Talent Bench**

Best Buy will work to increase the pool of African American, Latino, and women employees qualified for promotions. Best Buy will ensure that any training and formal mentoring programs will be available to all interested employees without

regard to race or gender, except in cases where a particular program is targeted at minority or female employees.

**I. Exempt Compensation**

Best Buy will hire an expert to review its compensation policies and will train its managers on how to set exempt compensation using tools developed by the expert. Each year, Best Buy will review the compensation of exempt managers to ensure that it has been complying with its policy of non-discrimination.

**J. General Training Provisions**

All new hires will continue to receive Best Buy's non-discrimination, anti-harassment, and anti-retaliation policies. Best Buy will provide diversity trainings for its supervisors and managers each year and will ensure that all employees are trained on how to use the registry system. Best Buy also agrees to train all General Managers on how to comply with the relevant parts of the proposed settlement agreement.

**K. Complaint Process**

Best Buy will maintain a procedure for employees to file complaints of discrimination or retaliation on the basis of race, color, national origin, or gender, or of violations of the settlement agreement. Best Buy will investigate complaints through Human Resources personnel and will discipline persons found to engage in discrimination or violations of the settlement agreement. Best Buy will post information about the complaint process on its intranet website continuously and on its home page for at least 7 consecutive days each year.

**L. Manager Assessment**

Each year, Best Buy will evaluate all supervisors, exempt store managers, and district managers on their ability to manage a diverse workplace and their compliance with the settlement agreement. An expert industrial psychologist will advise Best Buy on how best to conduct and manage this evaluation.

**5. How could the settlement affect your legal rights?**

If Judge Hamilton approves the proposed settlement, members of the settlement classes will release certain class claims for discrimination seeking declaratory or injunctive relief. Settlement Class Members will not, however, release any claims against Best Buy for individual injunctive relief or any claims for individual monetary relief.

The Consent Decree provides as follows:

The members of the Settlement Classes who are not Named Plaintiffs release all claims for classwide injunctive and declaratory relief of whatever nature, known or unknown that the Named Plaintiffs and members of the Settlement Classes may have against Best Buy, its subsidiaries and affiliated companies, and in the case of all such entities, their respective past and present owners, representatives, officers, directors, attorneys, agents, employees, insurers, successors and assigns (collectively referred to as the "Released Parties"), arising out of the same transactions, series of connected transactions, occurrences or nucleus of operative facts that form the basis of the claims that were or could have been asserted in the Civil Action including claims arising under the Civil Rights Act of 1866, as amended, 42 U.S.C. § 2000e, et seq., the Fair Employment and Housing Act ("FEHA"), as amended, Cal. Gov. Code § 12940, et seq., the Equal Pay Act, 29 U.S.C. § 206, et seq., or under any other federal, state, local or common laws or regulations. This release further includes, but is not limited to, claims for classwide injunctive or declaratory relief alleging a class-wide pattern and practice of race, national origin and gender discrimination in, or an unlawful disparate impact associated with, (1) recruitment, (2) pre-employment testing, (3) entry-level hiring, (4) job assignments, (5) promotions/transfers, (6) movement from Occasional/Seasonal to Regular status, (7) movement from part-time to full-time employment, or (8) the allocation of hours of work. This release includes and covers without limitation all actions or omissions occurring through August 3, 2011.

The members of the Settlement Class who are not Named Plaintiffs do not release any claims for individual monetary relief, including without limitation back pay, front pay, compensatory damages, punitive damages, or prejudgment interest, nor do they release any claims for individual injunctive or declaratory relief for any past or current violations of Title VII, Section 1981, or FEHA, or for any relief that may be appropriate for any future violations of this Consent Decree or applicable law.

**6. What Service Payments are the Named Plaintiffs Seeking in Recognition of the Work they Performed for the Class?**

The nine Named Plaintiffs devoted substantial time to the prosecution of this lawsuit. They provided documents to Class Counsel, answered written questions from Best Buy's Counsel, and were deposed by Best Buy's Counsel. They spent many hours working with Class Counsel in developing the factual basis for the class claims asserted in this case.

In recognition of that time, they have moved for the Court to award them service payments of \$10,000 each.

The Court will decide whether such payments are fair and reasonable.

You can see the complete Motion for Service Payments at [BBClassaction.com](http://BBClassaction.com)

**7. Will the Named Plaintiffs Settle Their Individual Claims?**

In addition to bringing class claims for discrimination, the nine Named Plaintiffs asserted individual claims of discrimination and sought injunctive and monetary relief as individuals. As part of the proposed settlement, the nine Named Plaintiffs will release all of their individual claims of discrimination against Best Buy in exchange for the aggregate sum of \$200,000. Unlike Class Members, the Named Plaintiffs will release all claims for monetary relief in exchange for this payment.

No member of the Settlement Classes is releasing any individual claims for monetary or injunctive relief, and no member of the Settlement Classes other than the Named Plaintiffs will receive a monetary payment in exchange for the release of individual claims.

**8. What Attorneys' Fees and what reimbursement of out of pocket costs are Class Counsel seeking?**

Over the past six years, Class Counsel have devoted many thousands of hours to this litigation. They have reviewed millions of pages of documents produced by Best Buy and deposed approximately 40 witnesses. They have worked with experts to evaluate Best Buy's policies and systems. They have not been paid for any of that time. The value of that time, if calculated by multiplying the hours Class Counsel spent on this case times their normal market rates is over \$16.2 million.

Based on their work, Class Counsel are applying to be paid Attorneys' Fees in the amount of approximately \$8 million. That amount is only approximately 50% of the value of the hours Class Counsel have spent on the case.

In connection with prosecuting this action for the benefit of the Plaintiff Class, Class Counsel have also incurred almost \$2 million in out-of-pocket costs and expenses. These expenses include fees to experts, including statisticians and sociologists, deposition transcripts, and document copy and electronic storage and retrieval costs. Class Counsel will apply for reimbursement of these costs.

You can see Class Counsel's complete Application for Attorneys' Fees and Costs at [BBClassaction.com](http://BBClassaction.com).

Best Buy does not object to Class Counsel's fees and costs application. Judge Hamilton will decide whether the fees and costs Class Counsel seeks are fair and reasonable.

**9. How can you comment on, or object to, the Proposed Settlement, Application for Attorneys' Fees and Costs, or Motion for Service Payments?**

If you want to comment on, or object to, the settlement, Class Counsel's fee and cost application, or the motion for service payment to the Named Plaintiffs, you should mail your statement to Eve Cervantez at Altshuler Berzon LLP, 177 Post Street, Suite 300, San Francisco, CA 94108 (1-800-949-0570). Comments or objections need to be postmarked by October 1, 2011.

**10. When and where will the Fairness Hearing take place?**

On August 3, 2011, Judge Hamilton granted preliminary approval to the proposed settlement. Judge Hamilton will decide whether or not to (1) grant final approval of the settlement; (2) grant Class Counsel's application for fees and costs; and (3) award service payments to the Named Plaintiffs after considering the comments and/or objections received from class members. A hearing will be held on November 9, 2011 at 9:00 a.m., in Courtroom 3, 3rd Floor, 1301 Clay St., Oakland, California.

You may attend this hearing, but are not obligated to do so. You may retain Counsel to represent you, but are not required to do so. If you intend to attend the fairness hearing, you should send a written notice of intent to appear to Eve Cervantez of Altshuler Berzon LLP, 177 Post Street, Suite 300, San Francisco, CA 94108, postmarked no later than October 1, 2011.

**11. How can you get more information?**

You can get a copy of the complete settlement agreement from the internet at [BBClassaction.com](http://BBClassaction.com). You may also inspect the non-confidential parts of the case file in this lawsuit by going to the website of the U.S. District Court for the Northern District of California ([www.cand.uscourts.gov](http://www.cand.uscourts.gov)).

Additionally, you may contact the attorneys for the plaintiffs:

James M. Finberg  
Eve H. Cervantez  
ALTSCHULER BERZON LLP  
177 Post Street, Suite 300  
San Francisco, CA 94108

Kelly M. Dermody  
Daniel M. Hutchinson  
LIEFF, CABRASER, HEIMANN & BERNSTEIN, LLP  
Embarcadero Center West  
275 Battery Street, 29th Floor  
San Francisco, CA 94111-3339

Todd M. Schneider  
Guy B. Wallace  
Andrew P. Lee

SCHNEIDER WALLACE COTTRELL BRAYTON KONECKY LLP  
180 Montgomery Street, Suite 2000  
San Francisco, CA 94104

Bill Lann Lee  
Lindsay Nako  
Angelica K. Jongco  
LEWIS, FEINBERG, LEE, RENAKER & JACKSON, P.C.  
476 9th Street  
Oakland, CA 94607

1-800-949-0570