CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
Karen Ross, Secretary

March 7, 2013

DMS NOTICE
QC - 13 - 5
DISCARD: RETAIN

TO: WEIGHTS AND MEASURES OFFICIALS

SUBJECT: Best Buy Stores, L.P., Settlement

Enclosed is a final judgment by stipulation issued by the District Attorney's Office of the County of Riverside in conjunction with the District Attorneys of the City of San Diego and the County of Los Angeles filed against Best Buy Stores, L.P., a Virginia limited partnership, on February 22, 2013. The judgment and injunction are for overcharging customers, a violation of California Business and Professions Code section 12024.2.

The investigation was coordinated by the Division of Measurement Standards (DMS) with assistance from fifteen county jurisdictions. Best Buy Stores, L.P., was ordered to pay a settlement of $875,370 which included $600,000 in civil penalties, $175,370 for agency costs, and cy pres restitution of $100,000 to be paid into the Consumer Protection Prosecution Trust Fund. Additionally, Best Buy Stores, L.P., was ordered to put into place a "Pricing Accuracy Program" for the next five years that will give an incentive to those consumers that are overcharged of the item for free, up to a $3.00 value.

Riverside County should be sure to report these penalties on the County Monthly Report. All participating counties should separately record their individual investigative cost reimbursements in the appropriate columns on the report.

We appreciate the fine work done by the District Attorneys' offices along with the State and county investigators who documented and caused to be prosecuted these violations. If you have any questions, please contact Kathy de Contreras, Supervising Special Investigator, Quantity and Weighmaster Programs, Enforcement Branch at (916) 229-3047, or katherine.decontreras@cdfa.ca.gov.

Sincerely,

Kristin J. Macey
Director

Enclosure

cc: Gary Leslie, Acting County/State Liaison, CDFA

FEB 2 1 2013

No Fee Govt. Code §6103

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

FEB 22 2013

G. Reyes

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

1302092

THE PEOPLE OF THE STATE OF CALIFORNIA, Plaintiff, v. BEST BUY STORES, L.P., a Virginia limited partnership, Defendant.	Case No. RIC FINAL JUDGMENT BY STIPULATION

Plaintiff, the People of The State of California, having filed its complaint; and Defendant Best Buy Stores, L.P., a Virginia limited partnership, having accepted service of the Complaint, and

Plaintiff, appearing through its attorneys Paul Zellerbach, District Attorney Riverside County, by Elise J. Farrell, Deputy District Attorney; Jackie Lacey, District Attorney Los Angeles County, by Stuart Lytton, Deputy District Attorney; and Jan I. Goldsmith, San Diego City Attorney, by Tricia Pummill, Assistant City Attorney; and Defendant Best Buy Stores, L.P., a Virginia limited partnership, appearing through its attorneys, Robins, Kaplan, Miller & Ciresi, LLP, by Michael A. Geibelson; and

Plaintiff and Defendant having stipulated and consented to the entry of this Final Judgment ("Judgment") prior to the taking of any proof, and without trial or adjudication of any

issue of fact or law herein; and

The Court having considered the pleadings and the Stipulation of the parties;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

1. This action is brought under California law and this Court has jurisdiction of this matter and its parties.

DISCLAIMER OF ADMISSIONS

2. The provisions of this Judgment are entered as a result of the stipulation of the parties, without admission by Defendant regarding any factual or legal allegation in the Complaint.

APPLICABILITY

3. The provisions of this Judgment are applicable to Best Buy Stores, L.P., a Virginia limited partnership, ("Best Buy,") and to its officers, directors, employees, agents, servants and representatives acting within the course and scope of their agency and employment, and to successors and assignees of Best Buy, and to all persons, partnerships, corporations, and other entities acting for, through, on behalf of or in concert with Best Buy with actual or constructive notice of this Judgment. Unless otherwise stated, all obligations imposed upon Best Buy by the terms of this Judgment are ordered pursuant to Business and Professions Code sections 17203 and 17535.

INJUNCTION

4. Best Buy Stores, L.P., a Virginia limited partnership and all persons and entities set forth in Paragraph 3 above are hereby permanently enjoined and restrained, pursuant to Business and Professions Code sections 17203 and 17535, from directly or indirectly engaging

in any of the following acts or practices:

A. Making or causing to be made to the public any statement representing a price for an item or group of items offered for sale and charging a greater price at the time the item or group of items is purchased, in violation of the California Business and Professions Code section 17500;

B. At the time of a sale of a commodity or group of items, charging an amount greater than the lowest price posted on the commodity itself or for the group of items or on a shelf tag that corresponds to the commodity or group of items, notwithstanding any limitation of the time period for which the posted price is to be in effect, in violation of Business and Professions Code section 12024.2(a);

5. For a period of five (5) years from entry of this Judgment, Best Buy, is ordered to enforce in all existing Best Buy stores in California, and in every future Best Buy store in California, before opening for business, a program to promote pricing accuracy. Such program shall be initiated within ninety days of the date of entry of this Judgment and shall consist of at least the following:

A. Best Buy shall designate a person or persons at its corporate headquarters who will be responsible for receiving and maintaining price audit information, consumer complaints and weights and measures inspection reports from all Best Buy stores in California. Best Buy shall provide the names of the designated persons and their contact information to Plaintiff as designated below. Best Buy shall provide the name and contact information of any individual who replaces or supplements the individuals originally designated within thirty calendar days of that assignment. Notifications are to be sent by letter to the Deputy District Attorney Elise J. Farrell, Riverside County District Attorney's Office, 3960 Orange Street, Riverside, California 92501.

B. Best Buy shall designate an employee or employees in every Best Buy store

in California whose responsibilities shall include pricing accuracy. These efforts shall include, among others, the store's General Manager (or Assistant General Manager on those days when the General Manager is not in the store before the store opening) who shall scan features on a weekly basis and who shall walk the store before it is opened on the day when prices are changed to verify that all price changes have been made.

C. The store's General Manager (or Assistant General Manager on those days when the General Manager is not in the store before the store opening) shall send copies of Notices of Violation from weights and measures inspectors and Accuracy Reports from price auditors to the designated corporate employee described in Paragraph 4A, immediately after receiving them, but no later than the same day it is issued to the store.

D. The General Manager (and/or Assistant General Manager, including on those days when the General Manager is not in the store) at every Best Buy store shall perform daily price checks on enough items in the store so that every shelf tag in the store has been checked at least once every thirteen weeks. Pricing errors discovered during such reviews shall be promptly corrected in the store. The store's General Manager or Assistant General Manager as applicable shall transmit the information to the person or persons designated pursuant to Paragraph 4A above, at Best Buy's corporate headquarters within one hour after learning that a price in the point-of-sale computer system is different from the currently advertised price for the item in the store or in advertising if the price discrepancy is likely to affect other Best Buy stores in California. Best Buy shall ensure that there are backup employees trained to handle the responsibilities for price accuracy.

E. Whenever any employee of Best Buy becomes aware that a customer in a Best Buy store in California has been or is being charged a price for an item

which is higher than the lowest price currently listed on the shelf, store sign, or advertisement, Best Buy shall give the customer a three dollar ($3.00) reduction from the item's lowest posted or advertised price, or if the item's lowest posted or advertised price is three dollars ($3.00) or less, the customer shall receive one such item for free. If a customer is purchasing more than one of the same identical item for which a price discrepancy is found, in addition to either deducting three dollars ($3.00) from the price of one such item, or giving the customer one such item for free, Best Buy shall charge that customer the lowest advertised price on all remaining identical items purchased by that same customer in the same purchase transaction and the discrepant price shall be corrected. This program shall be referred to as the "Pricing Accuracy Program." "Charging" means requesting payment from the customer or presenting the customer with a bill or total amount owed.

F. Best Buy shall inform customers of the policy set forth in Paragraph 4E above, by posting a sign in English and Spanish at every check-out stand in every Best Buy store in California in a location where it is noticeable and easily readable by a customer who is standing in the check-out lane. The sign shall state: "If we request payment from you or present you with a bill or total amount owed where the price of an item is higher than the shelf or advertised price, WE WILL CORRECT THE ERROR AND DEDUCT $3.00 FROM THE LOWEST ADVERTISED PRICE OF ONE SUCH ITEM. If the lowest advertised price is $3.00 OR LESS, YOU WILL RECEIVE THE ITEM FOR FREE. You will be charged the lowest advertised price for all additional identical items purchased at the same time."

MONETARY RELIEF

6. Pursuant to Business and Professions Code sections 17206 and 17536, Best Buy

shall on the date of filing of this Judgment, pay to Plaintiff six hundred thousand dollars ($600,000) in the form of three separate checks each in the amount of two hundred thousand dollars ($200,000) payable to the "*Riverside District Attorney's Office;*" the "*Los Angeles County District Attorney;*" and the "*San Diego City Attorney's Office.*"

7. Best Buy shall on the date of the filing of this Judgment, pay to Plaintiff costs totalling one hundred seventy-five thousand three hundred seventy dollars ($175,370) in the form of nineteen (19) separate checks payable as follows:

Riverside District Attorney's Office	$10,000
Los Angeles County District Attorney	$30,000
San Diego City Attorney's Office	$40,000
California Dept. of Food and Agriculture	$ 5,922
Contra Costa Division of Weights and Measures	$ 4,590
Imperial County Agricultural Commissioner	$ 413
Los Angeles County Agricultural Commissioner	$50,575
Marin County Dept. of Weights and Measures	$ 1,656
Monterey Agricultural Commissioner's Office	$ 299
Orange County Agricultural Commissioner	$ 1,386
Riverside County Weights and Measures	$ 8,732
Sacramento County Agricultural Commissioner	$ 1,200
San Bernardino County Agriculture/Weights & Measures	$ 7,033
San Diego County Agriculture, Weights and Measures	$ 3,800
Santa Barbara County Weights and Measures	$ 1,000
Santa Clara County Weights and Measures Division	$ 7,064
Santa Cruz County Agricultural Commissioner	$ 430
Shasta County Dept. of Weights and Measures	$ 462
Sonoma County Sealer of Weights and Measures	$ 808

8. Inasmuch as the potential persons entitled to restitution, if any, cannot be ascertained, Best Buy shall, pursuant to Business and Professions Code sections 17203

and 17535, pay *cy pres* restitution in the sum of one hundred thousand dollars ($100,000) in the form of one check payable to the "*Consumer Protection Prosecution Trust Fund*" established in the case of *People v. ITT Consumer Financial Corporation*(Alameda Superior Court No. 656038-0).

9. All checks shall be delivered to Deputy District Attorney Elise J. Farrell, Riverside County District Attorney's Office, 3960 Orange St., Riverside, California, 92501.

RETENTION OF JURISDICTION

10. Jurisdiction is retained for the purpose of enabling any party to this Judgment to apply to the Court at any time for such further orders and directions as may be necessary and appropriate for the construction or carrying out of this Judgment, for the modification of any of its injunctive provisions, and for the enforcement of, compliance with, and punishment of violations of the Judgment.

FEES AND COSTS

11. Except as provided herein, each party shall bear its own attorneys' fees and costs.

ENTRY OF JUDGMENT

12. The clerk is directed to immediately enter this Judgment.

Dated: 2-22-13

Judge of the Superior Court

Daniel A. Ottolia