

# BEST BUY CO INC

## FORM 8-K (Current report filing)

Filed 08/20/12 for the Period Ending 08/19/12

Address	7601 PENN AVE SOUTH RICHFIELD, MN 55423
Telephone	6122911000
CIK	0000764478
Symbol	BBY
SIC Code	5731 - Radio, Television, and Consumer Electronics Stores
Industry	Retail (Technology)
Sector	Services
Fiscal Year	02/03

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

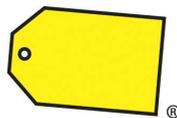
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **August 19, 2012**



**BEST BUY®**

**BEST BUY CO., INC.**

(Exact name of registrant as specified in its charter)

**Minnesota**

(State or other jurisdiction  
of incorporation)

**1-9595**

(Commission  
File Number)

**41-0907483**

(IRS Employer  
Identification No.)

**7601 Penn Avenue South**

**Richfield, Minnesota**

(Address of principal executive offices)

**55423**

(Zip Code)

Registrant's telephone number, including area code **(612) 291-1000**

**N/A**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD.**

On August 19, 2012, Best Buy Co., Inc. ("Best Buy" or the "registrant") issued a news release announcing that the Board of Directors of Best Buy (the "Board") offered founder Richard Schulze an opportunity to conduct due diligence and pursue his expressed interest in acquiring outstanding shares in the registrant, but Mr. Schulze declined to participate.

The news release issued on August 19, 2012, is furnished as Exhibit 99.1 to this Current Report on Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that Section unless the registrant specifically incorporates it by reference in a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The registrant's Annual Report to Shareholders and its reports on Forms 10-K, 10-Q and 8-K and other publicly available information should be consulted for other important information about the registrant.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

The following are furnished as Exhibits to this Current Report on Form 8-K.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	News release issued August 19, 2012. Any internet address provided in this release is for information purposes only and is not intended to be a hyperlink. Accordingly, no information at any internet address is included herein.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BEST BUY CO., INC.

(Registrant)

Date: August 20, 2012

By: /s/ SUSAN S. GRAFTON

Susan S. Grafton

Senior Vice President, Controller and Chief Accounting Officer

## Best Buy Offers Due Diligence Plan to Richard Schulze; Schulze Declines

**MINNEAPOLIS, August 19, 2012** -- Best Buy Co., Inc. (NYSE: BBY) today announced that the Board of Directors offered an opportunity to founder Richard Schulze to conduct due diligence and pursue his expressed interest in acquiring outstanding shares in the company, but Mr. Schulze declined to participate.

On Friday, Aug. 17, the Board convened to evaluate Mr. Schulze's indication of interest in the company. The Board authorized its advisers to initiate discussions with Mr. Schulze on a cooperation agreement that would establish an orderly process under which Mr. Schulze would both gain access to certain financial, operational and legal information and be able to move forward with discussions with private equity partners and debt financing sources, as he had requested.

Included in the proposal was a routine and customary request that Mr. Schulze agree to certain protections for Best Buy and its shareholders, with the goal of limiting outside distractions, in return for access to non-public information and the ability to form an investor group.

The Board proposal would have provided all of the following:

- A waiver of Minnesota law, in order to provide Mr. Schulze the ability to work with his private equity partners to develop a definitive proposal for the outstanding shares of the company.
- Due diligence access for Mr. Schulze to the Company's non-public information.
- Due diligence access for Mr. Schulze's private equity partners.
- Due diligence access for Mr. Schulze's advisers and debt-financing sources.
- An opportunity to bring forward a fully financed proposal within 60 days.

The board proposals were offered in good faith, consistent with the board's fiduciary duties to all shareholders and its commitment to good governance practices.

The board endorsed declassification and established an independent search process for a permanent Chief Executive Officer, following the resignation of former CEO Brian Dunn.

The Audit Committee of the board responded swiftly to allegations of inappropriate behavior against Mr. Dunn, launching an independent investigation. The findings of the investigation were made public and accepted by Mr. Schulze in the May 14 announcement that he would be stepping down as chairman.

The terms of the proposal put forward to Mr. Schulze over the weekend are normal and customary when a public company is in discussions with a potential acquirer. The proposal would serve several purposes, many of which were designed to address the unique aspects of this situation and to conduct an orderly process.

In addition to the more standard terms, such as protection of nonpublic information, the primary purpose of the proposal was to assist the board in maximizing value for all Best Buy shareholders by creating an incentive for Mr. Schulze to offer his best proposal to the board of directors during these discussions and to minimize Mr. Schulze's ability to disrupt the company going forward.

Throughout discussions over the weekend, the Board showed great flexibility in the details around how an agreement with Mr. Schulze could be implemented, so as to not limit his ability to make a definitive proposal for the company that was in the best interest of all shareholders. The board proposed that Mr. Schulze, beginning in January, be allowed to take his buyout offer to shareholders, should the board decide to reject any definitive proposal to acquire shares. Mr. Schulze did not accept the company proposal.

In an August 6 letter, Mr. Schulze requested due diligence and outlined a highly conditional, unsolicited indication of interest in acquiring for cash all outstanding shares he does not own at a per-share price of \$24 to \$26. The Board believes it has insufficient information to make a reasonable conclusion with regard to Mr. Schulze's indication of interest, given the conditional nature of the proposal and Mr. Schulze's failure to date to disclose financing and equity partners.

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**About Best Buy Co., Inc.**

Best Buy Co., Inc. (NYSE:BBY) is a leading multi-channel global retailer and developer of technology products and services. Every day our employees — 167,000 strong — are committed to helping deliver the technology solutions that enable easy access to people, knowledge, ideas and fun. We are keenly aware of our role and impact on the world, and we are committed to developing and implementing business strategies that bring sustainable technology solutions to our consumers and communities. For information about Best Buy, visit [www.bby.com](http://www.bby.com) and to shop at Best Buy, visit [www.bestbuy.com](http://www.bestbuy.com).

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