

**UNITED STATES GOVERNMENT
NATIONAL LABOR RELATIONS BOARD
SETTLEMENT AGREEMENT**

**IN THE MATTER OF: STARBUCKS CORPORATION d/b/a STARBUCKS COFFEE COMPANY
Case Nos. 2-CA-36394; 2-CA-36900; 2-CA-37020; 2-CA-37109**

The undersigned Charged Party and the undersigned Charging Party, in settlement of the above matter, and subject to the approval of the Regional Director for the National Labor Relations Board, **HEREBY AGREE AS FOLLOWS:**

POSTING OF NOTICE — Upon approval of this Agreement, the Charged Party will post immediately, on the backroom bulletin boards where schedules are posted, at its Manhattan stores located at 36th Street and Madison Avenue, 17th Street and First Avenue, and Ninth Street and Second Avenue, and maintain for 60 consecutive days from the date of posting, copies of the attached Notice made a part hereof, said Notice to be signed by a responsible official of the Charged Party and the date of actual posting to be shown thereon.

COMPLIANCE WITH NOTICE — The Charged Party will comply with all the terms and provisions of said Notice.

BACKPAY — The Charged Party will make whole the following employees by payment to them of the amounts set forth below:

Sarah Bender : Backpay, less statutory deductions: \$1,623.02 Interest: 49.83

Laura De Anda: Backpay, less statutory deductions: \$247.91 interest: \$4.19

Peter Montalbano: Backpay, less statutory deductions: \$58.87 interest: \$1.99

SCOPE OF THE AGREEMENT — This Agreement settles only the allegations in the above captioned case(s), and does not constitute a settlement of any other case(s) or matters. It does not preclude persons from filing charges, the General Counsel from prosecuting complaints, or the Board and the courts from finding violations with respect to matters which precede the date of the approval of this Agreement regardless of whether such matters are known to the General Counsel or are readily discoverable. The General Counsel reserves the right to use the evidence obtained in the investigation and prosecution of the above captioned case(s) for any relevant purpose in the litigation of this or any other case(s), and a judge, the Board and the courts may make findings of fact and/or conclusions of law with respect to said evidence.

REFUSAL TO ISSUE COMPLAINT — In the event the Charging Party fails or refuses to become a party to this Agreement, and if in the Regional Director's discretion it will effectuate the policies of the National Labor Relations Act, the Regional Director shall decline to issue a Complaint herein (*or a new Complaint if one has been withdrawn pursuant to the terms of this agreement*), and this Agreement shall be between the Charged Party and the undersigned Regional Director. A review of such action may be obtained pursuant to Section 102.19 of the Rules and Regulations of the Board if a request for same is filed within 14 days thereof. This Agreement is contingent upon the General Counsel sustaining the Regional Director's action in the event of a review. Approval of this Agreement by the Regional Director shall constitute withdrawal of any Complaint(s) and Notice of Hearing heretofore issued in this case, as well as any answer(s) filed in response.

PERFORMANCE — Performance by the Charged Party with the terms and provisions of this Agreement shall commence immediately after the Agreement is approved by the Regional Director, or if the Charging Party does not enter into this Agreement, performance shall commence immediately upon receipt of the Charged Party of advice that no review has been requested or that the General Counsel has sustained the Regional Director.

NOTIFICATION OF COMPLIANCE — The undersigned parties to this Agreement will each notify the Regional Director in writing what steps the Charged Party has taken to comply herewith. Such notification shall be given within 5 days, and again after 60 days, from the date of the approval of this Agreement. In the event the Charging Party does not enter into this Agreement, initial notice shall be given within 5 days after notification from the Regional Director that no review has been requested or that the General Counsel has sustained the Regional Director. Contingent upon compliance with the terms and provisions hereof, no further action shall be taken in this case.

NON-ADMISSION — The signing of this settlement agreement does not constitute an admission by the Charged Party that it has violated the National Labor Relations Act.

Charged Party STARBUCKS CORP. d/b/a STARBUCKS COFFEE COMPANY		Charging Party INDUSTRIAL UNION 660, INDUSTRIAL WORKERS OF THE WORLD	
By: Name and Title <i>A. O. Maguire</i> REGIONAL VICE PRESIDENT	Date 3/7/06	By Name and Title	Date
Recommended By: <i>Burt Pearlstone</i> Burt Pearlstone, Board Attorney	Date 3/7/06	Charging Party CHARLES POLANCO: By	Date
		Approved By: <i>C. Giattina</i> Celeste J. Matfina, Regional Director	3/7/06

FEDERAL LAW GIVES YOU THE RIGHT TO

- Form, join or assist a union;
- Choose representatives to bargain with us on your behalf;
- Act together with other employees for your benefit and protection;
- Choose not to engage in any of these protected activities.

WE WILL NOT interrogate employees concerning their membership in, activities on behalf of, and sympathies for Industrial Union 660, Industrial Workers of the World, and the Union membership, activities, and sympathies of other employees.

WE WILL NOT promise employees that they will be promoted in order to discourage their support for Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT solicit employee complaints and grievances, or promise employees increased benefits and improved terms and conditions of employment, in order to discourage employees from supporting Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT post notices threatening employees with losses of wages and benefits if they support Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT promise employees that we will assist them in bringing in another union in order to discourage employees from supporting Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT provide employees with benefits, including after-hours store cleaning services, free pizza, free gym passes, and free baseball tickets, in order to encourage employees to withdraw their support for Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT discriminatorily refuse to allow employees from wearing pro-union buttons containing the insignia of Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT threaten employees with loss of their right to voluntarily transfer to other stores because they support Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT create the impression among employees that their Union activities are under surveillance or engage in surveillance of employees to discover their Union activities and to discourage employees from engaging in such activities.

WE WILL NOT solicit employees to sign petitions against Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT maintain or enforce the following rule contained in our "Partner Guide" concerning the posting and distribution of notices:

Posting or distributing notices or other written materials on Starbucks property at any time, without prior approval from your manager, is strictly prohibited.

WE WILL NOT maintain or enforce any rule prohibiting our employees from wearing Union buttons or pins.

WE WILL NOT increase our supervision of employees in order to discourage employees from engaging in Union activities.

WE WILL NOT prohibit our employees from picking up or borrowing extra shifts at Starbucks' stores, including stores other than the one to which they are assigned, in order to discourage them from joining or supporting Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT issue adverse performance reviews or deny pay increases to our employees in order to discourage them from joining or supporting Industrial Union 660, Industrial Workers of the World, or any other labor organization.

WE WILL NOT in any like or related manner interfere with, restrain or coerce our employees in the exercise of the rights guaranteed to by Section 7 of the National Labor Relations Act, described above.

WE WILL rescind the rule contained in our “Partner Guide” concerning the posting and distribution of notices and **WE WILL**, in the same manner that it were publicized, notify our employees that this rule has been rescinded.

WE WILL revise and reissue the “Partner Guide” rule that prohibits our employees from wearing buttons and pins so as to notify our employees that the rule does not prohibit them from wearing Union buttons and pins.

WE WILL place in our “Partner Guide” the following non-solicitation or distribution rule:

Partners are prohibited from distributing or posting in any work areas any printed materials such as notices, posters, or leaflets. Partners are further prohibited from soliciting other partners or non-partners in stores or company premises during working time or the working time of the partner being solicited.

WE WILL rescind the verbal warning issued to our employee Daniel Gross in early July 2004 and the written warning issued to him on August 12, 2004, notify him in writing that this has been done, and take no actions inconsistent therewith.

WE WILL rescind the written warnings issued to our employee Charles Polanco on August 27, 2004 and December 30, 2004, notify him in writing that this has been done, and take no actions inconsistent therewith.

WE WILL offer our employee Charles Polanco immediate and full reinstatement to his former job without prejudice to his seniority, or any other rights or privileges that he previously enjoyed.

WE WILL remove from our files and records any and all references to the discharge of our employee Charles Polanco, notify him in writing that this has been done, and take no actions inconsistent therewith.

WE WILL rescind the written disciplinary notices issued to our employee Sarah Bender on November 7, 2004, April 13, 2005, and April 30, 2005, and the suspension notice issued to her on May 21, 2005.

WE WILL offer our employee Sarah Bender immediate and full reinstatement to her former job, without prejudice to her seniority, or any other rights or privileges that she previously enjoyed.

WE WILL remove from our files and records any and all references to the disciplinary notices issued to, as well as the suspension and discharge of, our employee Sarah Bender, notify her in writing that this has been done, and take no actions inconsistent therewith.

WE WILL make our employee Peter Montalbano whole, with interest, for any losses he may have suffered as a result of being sent home during his work shift on June 18, 2005.

WE WILL remove from our files and records any and all references to our sending our employee Peter Montalbano home during his work shift on June 18, 2005, notify him in writing that this has been done, and take no actions inconsistent therewith.

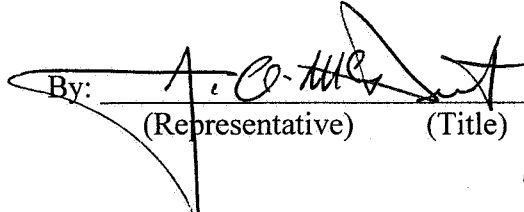
WE WILL rescind the performance reviews that we issued to our employee Laura De Anda on June 20, 2005 and September 16, 2005, remove any and all references thereto from our files and records, notify her in writing that this has been done, and take no actions inconsistent therewith.

WE WILL rescind the rating in the category "Ethics and Integrity" that we issued to our employee Laura De Anda in her performance review, dated September 16, 2005, remove any and all references thereto from our files and records, notify her in writing that this has been done, and take no actions inconsistent therewith.

WE WILL make our employee Laura De Anda whole, with interest, for any losses she may have suffered as a result of being denied a pay increase.

Starbucks Corporation d/b/a Starbucks
Coffee Company

Dated: 3/7/06

By:  (Representative) REGION (Title) VICE PRESIDENT