

January 22, 2010

Kalen Holmes  
Executive Vice President, Partner Resources  
Starbucks Coffee Company  
2401 Utah Avenue South  
Seattle, Washington 98134

Re: Andrew Alfano, RVP NY-Metro

Ms. Holmes:

On January 14<sup>th</sup>, 2010 the NY Metro leadership team, consisting of Mr. Alfano, his RDO's and members of the Partner Resources support team, arranged an outing for the New York District Managers at a bar called Slates on West 21<sup>st</sup> street. During this event Mr. Alfano made sexual innuendos to a group of female DM's. For some unthinkable rational, Mr. Alfano felt it was appropriate to make the following statements, "When I was a District Manger I couldn't help stop the number of female customers who would come on to me." His other statement was "Tonight I'm not an RVP, just a regular guy enjoying the scene" and "I have a room booked for tonight in NYC".

At that particular moment his disrespectful comment made many of the DM's feel uncomfortable. It was evident Mr. Alfano was a bit intoxicated. For the rest of the evening we considered it appropriate to avoid him. After the outing many of DM's remarked about how offended they were by his remarks and lack of better judgment. We considered approaching Partner Resources; unfortunately we feel the matter will not be taken seriously. I'm sure you can understand our dilemma; speak up and risk retaliation by Mr. Alfano. In the past, Mr. Alfano has had a unapprioriate sexual relationship with District Manager Rosa Grajeda and others that have been spoken of. Mr. Alfano is known to hold grudges, and at no cost he will slyly move anyone out who speaks up.

This man is part of the senior leadership team and is highly regarded by the Senior Vice President Jim McDermet. Since we feel our environment is unsafe, we have turned to you in hopes you will speak on our behalf. After today's conference call regarding the sexual harassment case in California and ABC's 20/20 coverage of the lawsuit, we felt compelled to speak up and protect the brand from this man. As women, being under his leadership is very uncomfortable. Mr. Alfano has compromised our Mission Statement and Starbucks Coffee core values. On the surface he appears to be successful and charming, but in actuality his results are based on fear; not leadership. He has not led NY Metro to success but has instilled fear to achieve measurable results.

In the last year, our two female RDO's have resigned and have publicly expressed their disgust towards Mr. Alfano. He has regarded their departure as a "needed change." In the past year, NY Metro has experienced tremendous success within our US Business Operating Plan at the expense of the NY Metro

partners. Our RVP has used a tactic of fear and intimidation to bully us into the results he so desperately needs for his own personal appetite. Should you take the time to interview the DM's and partners within NY Metro, you will uncover he is disliked and feared. He is feared, not respected. When partners have spoken up or disagreed with him, they have been separated.

We ask you to look further into this matter and invest the time interviewing partners and ex-partners. Our desired outcome is Mr. Alfano apologizes publicly to the NY Metro partners for his inappropriate comments and we request he be transferred out of market. Should we see a lack of response from Starbucks Coffee, we will be forced to share our concerns with the local media and NY unions.

Respectfully,  
NY-Metro Partners

Cc: Howard Schultz, Cliff Burrows,