

CIRCUIT CITY STORES INC
Form DEFA14A
February 26, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-12

CIRCUIT CITY STORES, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
(set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Edgar Filing: CIRCUIT CITY STORES INC - Form DEFA14A

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

[PRESS RELEASE]

Richmond, Va., February 25, 2008 Circuit City Stores, Inc. today confirmed receipt of notice from shareholder Wattles Capital Management, LLC that it intends to nominate five directors for election to Circuit City's 12-member board of directors at the company's 2008 Annual Meeting of Shareholders. In accordance with Circuit City's bylaws, unless the board selects another date, the meeting will be held on June 24, 2008. Circuit City's board of directors will consider these nominations in due course.

About Circuit City Stores, Inc.

Circuit City Stores, Inc. (NYSE:CC) is a leading specialty retailer of consumer electronics and related services. At January 31, 2008, the domestic segment operated through 677 Superstores and 12 other locations in 159 U.S. media markets. At January 31, 2008, the international segment operated through 786 retail stores and dealer outlets in Canada. Circuit City also operates Web sites at www.circuitcity.com, www.thesource.ca and www.firedog.com.

Circuit City and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Circuit City in connection with the nomination described herein. Information regarding the special interests of these directors and executive officers in the nomination described herein will be included in any proxy statement filed by Circuit City in connection with the nomination. In addition, Circuit City files annual, quarterly and special reports, proxy and information statements, and other information with the Securities and Exchange Commission (the "SEC"). These documents are available free of charge at the SEC's web site at www.sec.gov or from Circuit City at <http://investor.circuitcity.com>. Investors should read any proxy statement filed in connection with the nomination described herein carefully when it becomes available before making any voting or investment decision.

###

Contacts:

Bill Cimino, Director of Corporate Communications, (804) 418-8163
Jessica Clarke, Investor Relations, (804) 527-4038
Patty Whitten, Investor Relations, (804) 527-4033

Kelly Sullivan / Jeremy Jacobs / Joele Frank
Joele Frank, Wilkinson Brimmer Katcher
(212) 355-4449

Michael Fox / Allison Malkin
ICR
(203) 682-8200

[COMMUNICATION TO EMPLOYEES]

Subject: Message from Phil Schoonover - Company Confirms Receipt of Board Nominations

Dear Associates,

I wanted to inform you of a recent development that you will likely be hearing more about in the days ahead. Earlier today, an investor group that owns approximately 6.5% of Circuit City's shares of common stock informed the Company that it intends to nominate five candidates to become members of the Company's board of directors at the Company's upcoming annual meeting of shareholders. Circuit City's board of directors consists of twelve members. This proposal will be referred to our board of directors for review and consideration.

The investor group, which is called Wattles Capital Management, LLC, had previously submitted a filing required by the Securities & Exchange Commission, indicating that it owned more than 5% of Circuit City's shares and that it may choose to take actions such as this in the future, so we are not surprised by this development.

Nothing about this development changes the work we all have to do to accomplish our turnaround. We have a strong brand, and the talent within our Company can revitalize it by continuing to focus on executing the strategy that we have laid out. What is most important for each of us is to remain focused on executing the elements of our turnaround plan. I am pleased to note that we continue to see encouraging signs that we are making progress, including the recent results from the University of Michigan's American Customer Satisfaction Index (ASCI) survey showing our improved customer satisfaction rating.

As I am sure you appreciate, this is a sensitive matter and we are limited in the extent to which we can publicly comment, but we will keep you apprised of all major developments. As there will no doubt be media coverage and other commentary or speculation about this development, I would like to remind you about our procedures for responding to outside inquiries. If you receive any inquiries from shareholders, analysts, or members of the media, please forward them to Bill Cimino, director of corporate communications at (804) 418-8163 or bill_cimino@circuitcity.com. As always, it is important for us to speak with one voice.

Our board and management team have confidence in Circuit City's prospects for the future, and we assure you that we remain committed, as always, to doing what is right for our Company and all our associates, customers, and stockholders. We'll communicate with you as we can throughout the process and I want to thank you for your continued focus and effort in implementing our plan.

Sincerely,

Phil

You can read the news release on ccity.com.

Legal Disclosure:

Circuit City and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Circuit City in connection with the nomination described herein. Information regarding the special interests of these directors and executive officers in the nomination described herein will be included in any proxy statement filed by Circuit City in connection with the nomination. In addition, Circuit City files annual, quarterly and special reports, proxy and information statements, and other information with the Securities and Exchange Commission (the "SEC"). These documents are available free of charge at the SEC's web site at www.sec.gov or from Circuit City at <http://investor.circuitcity.com>. Investors should read any proxy statement filed in connection with the nomination described herein carefully when it becomes available before making any voting or investment decision.
