

SETTLEMENT AGREEMENT

JAS
16th
This Settlement Agreement is made and entered into this day of January 1989, by and between the State of New York, by Robert Abrams, Attorney General, and Panasonic Company, a division of Matsushita Electric Corporation of America (hereinafter referred to as "Panasonic"). The terms of this Agreement shall be available to all States and the District of Columbia with the exception of Hawaii (the "States") as provided under the terms of paragraph 7 hereto.

WHEREAS, the State of New York will, within 20 days of the execution of this Agreement, file a Complaint for damages and injunctive relief against Panasonic, alleging violations of federal and state antitrust laws on its own behalf and as parens patriae on behalf of natural person citizens of New York State who have purchased Panasonic and/or Technics Products, as defined herein, during the period of the alleged conspiracy;

WHEREAS, Panasonic denies the allegations set forth in the State's Complaint; and

WHEREAS, the parties have determined it to be in their best interests to resolve this dispute and enter into this Settlement Agreement:

NOW, THEREFORE, WITNESSETH:

SECTION 1. DEFINITIONS

As used herein:

A. "Panasonic and/or Technics Products" means all consumer electronics products and home appliances manufactured and/or

distributed by Panasonic under the Panasonic or Technics brand names for which suggested minimum retail prices or "Go" prices were issued by Panasonic to its customers who resell such products to end-user consumers.

B. "Relevant Panasonic and Technics Products" means the consumer electronics products manufactured and/or distributed by defendant Panasonic identified in Attachment A hereto.

C. "Go Prices" means suggested minimum retail prices issued by Panasonic between March 1, 1988, through and including August 31, 1988.

D. "Qualified Purchaser" means a natural person or a Plaintiff State which purchased one or more of the Relevant Panasonic and Technics Products between March 1, 1988 and August 31, 1988, and, in the event that the Qualified Purchaser is a natural person, resided within the State of New York or other state participating in this Settlement Agreement ("Plaintiff State") at the time of such purchase or purchases.

E. "Plaintiff" means the State of New York in its sovereign capacity and as parens patriae on behalf of all natural person citizens of New York State who have purchased Panasonic and/or Technics Products during the period of the alleged conspiracy.

F. "Attorney General" means the Attorney General of the State of New York.

G. "Defendant" means Matsushita Electric Corporation of America ("Panasonic") and its affiliates, subsidiaries, divisions, and other organizational units of any kind, which sold Panasonic and/or Technics Products as defined herein, their

successors and assigns, and their officers, directors, employees, agents, representatives and other persons acting on their behalf.

H. "Settlement Account" means an interest-bearing escrow account established by Plaintiff and Defendant and administered by a trustee appointed pursuant to paragraph 4K herein for the purpose of implementing this Agreement. The principal of the Settlement Account shall be funded as described in Section 4 below.

I. "Administration Costs" means all of the costs associated with administering this Settlement and paying valid claims of Qualified Purchasers including, but not limited to, notice by first class mail to all potential Qualified Purchasers who can reasonably be identified by any legal means, notice by publication, printing and copying, review and verification of claims, postage and mailing costs, and attorney's fees and costs as set forth in paragraph 6C hereto.

SECTION 2. AGREEMENT

Subject to the approval of the Court, the parties agree to compromise, settle and resolve fully and finally, any and all claims, actions or causes of action arising under any federal or state antitrust laws which are alleged in the Complaint attached hereto, which Plaintiff had, now has, or may have against Defendant as of the date of this Agreement.

SECTION 3. INJUNCTION

A. Panasonic agrees that, for a period of five (5) years from the date of this Agreement, it will not, in violation of any federal or New York State antitrust laws, enter into any contract, combination, conspiracy, agreement or arrangement with any New York retailer, dealer or distributor to fix, lower, raise, peg, maintain or stabilize the retail prices at which Panasonic and/or Technics Products are sold to the public..

B. Panasonic agrees that, for a period of five (5) years from the date of this Agreement, it will not terminate, fail to fill orders of, or discriminate in delivery, credit or other terms provided to any New York retailer, dealer or distributor of Panasonic and/or Technics Products in order to coerce said retailer, dealer or distributor to adhere to any of Panasonic's suggested retail pricing policies in circumstances in which such conduct would constitute a violation of federal or New York State antitrust laws.

C. Within ten (10) days after the Court enters the Final Judgment and Consent Decree in this matter (the "Final Judgment"), Panasonic agrees to send the letter affixed hereto as Attachment B hereto to all of its then current New York retailers, dealers and distributors.

D. For a period of three (3) years from the date of this Agreement, Panasonic shall notify its retailers, dealers and distributors that it is their right to determine independently the prices at which they will sell or advertise Panasonic and/or Technics Products to consumers by affixing a notice of disclosure

(the "Disclosure") to every page of every list of suggested retail prices for any Panasonic or Technics product or products printed subsequent to the date of this Agreement. The Disclosure shall be in language substantially similar to that set forth in Attachment C hereto, in bold-face type, no smaller than the typeface used to print the language the Disclosure is intended to modify.

E. Panasonic agrees to adhere to the terms of a letter agreement with the Attorney General, dated January 16, 1989, which is incorporated herein by reference and will be filed under seal with the Court as an attachment hereto and to the Final Judgment.

F. This Agreement shall not be construed in any way to limit the right of Panasonic to suggest to its retailers, dealers or distributors retail prices for Panasonic and/or Technics Products, or to engage in any other behavior that is otherwise permitted by Federal and New York State antitrust laws.

SECTION 4. MONETARY PAYMENTS

A. No later than ten (10) days after the Court's preliminary approval of this Agreement, Panasonic shall pay into the Settlement Account the sum of one million dollars (\$1 million) to be available to pay the initial costs of administering this Settlement, including, without limitation, the costs associated with providing notice to potential Qualified Purchasers who are members of the parens patriae group (the "Initial Payment").

B. No later than ten (10) days after the Court's final approval of this Agreement, Panasonic shall pay into the Settlement Account an additional sum of up to seven and one half million dollars (\$7.5 million) (the "Second Payment"), so that the combined sum of the Initial Payment and the Second Payment deposited in the Settlement Account totals eight and one half million dollars (\$8.5 million) (the "Combined Payment"), subject to the provisions of paragraph 4I herein.

C. Panasonic's payments hereunder have been determined to be in an amount to satisfy valid claims of Qualified Purchasers under the procedures described herein and associated administrative costs of implementation of the Settlement Agreement. Defendant is making payment into the settlement fund solely as compensatory damages and as payment for the associated administrative costs. The Plaintiff has not sought the imposition of criminal or civil fines or penalties (or payments in lieu thereof) as parts of the settlement. Payments hereunder do not constitute, nor shall they be construed as or treated as, payments in lieu of treble damages, fines, penalties, punitive recoveries or forfeitures.

D. All Qualified Purchasers of Relevant Panasonic and Technics Products who make valid claims under Section 5 herein shall be paid in the amounts specified in the schedule below, except where the Attorney General of any Plaintiff State increases the payment pursuant to paragraph H(1) herein, (the "Consumer Refund"):

SCHEDULE OF CONSUMER REFUNDS

Model No. PV 2800:	\$19 per item
Model No. PV 2812:	\$20 per item
Model No. PV 4800:	\$22 per item
Model No. PV 4820:	\$21 per item
Model No. PV 4860:	\$26 per item
Model No. PV 4862:	\$19 per item
Model No. PV 400:	\$45 per item
Model No. PV 420:	\$38 per item
Model No. PV 460:	\$20 per item
Model No. KXT 3000:	\$17 per item
Model No. KXT 3880:	\$17 per item
Model No. KXT 2429:	\$18 per item
Model No. SA 180:	\$18 per item
Model No. SCA 830:	\$24 per item
Model No. SCA 840:	\$20 per item
Model No. SLP 600:	\$18 per item

The foregoing Consumer Refund payments to Qualified Purchasers who present valid claims and all Administration Costs shall be paid from the Settlement Account.

E. Panasonic has represented to the Plaintiff that it believes that there are 665,121 Qualified Purchasers in all of the States. If all such Qualified Purchasers claim their Consumer Refunds in the amounts specified in the Schedule of Consumer Refunds set forth in paragraph 4D above by making valid claims, the total amount paid out as Consumer Refunds, not

including Administration Costs, would equal sixteen million dollars (\$16 million).

F. In the event that valid claims of Qualified Purchasers in all of the Plaintiff States and Administration Costs exceed the Combined Payment, plus any interest accrued thereon, which has been deposited in the Settlement Account pursuant to paragraphs 4A and 4B herein, Panasonic shall make such additional payments to the Settlement Account of up to seven and one half million dollars (\$7.5 million) as are necessary to pay such claims of all Qualified Purchasers at the rates specified in the Schedule of Consumer Refunds set forth in paragraph 4D herein, subject to the provisions of paragraph 4I herein. In addition, Panasonic shall make such additional payments to the Settlement Account of up to two million dollars (\$2 million) as are necessary to pay all Administration Costs of this Settlement which cannot otherwise be satisfied from the Settlement Account, including any interest accrued thereon.

G. In the event that there are more than 665,121 bona fide Qualified Purchasers who present valid claims for Consumer Refunds, it shall be the obligation of Panasonic to pay such additional sums as are necessary to reimburse all such Qualified Purchaser claimants according to the Schedule of Consumer Refunds, set forth in paragraph 4D herein, and in addition to pay Administration Costs.

H. If not all Qualified Purchasers claim their refunds such that as of six months after the date of the Final Judgment there are funds remaining in the Settlement Account, whether deposited

in the Settlement Account pursuant to paragraphs 4A and 4B herein or accrued thereon as interest, such funds shall be distributed among the Plaintiff States in proportion to each Plaintiff State's percentage share of the national sales of the Relevant Panasonic and Technics Products, as specified in Attachment D hereto. In such event, each Plaintiff State's share of the sum remaining in the Settlement Account shall be used solely for one or more of the following four (4) purposes, as determined by the Attorney General of each Plaintiff State, at his or her exclusive option:

(1) Increased Consumer Refunds to Qualified Purchasers who have filed valid claims, on a proportional or per capita basis, and/or the first class postage costs for each such Qualified Purchaser,

(2) Antitrust enforcement by the Attorney General of such state,

(3) Deposit in a state antitrust revolving fund, or

(4) Deposit in the treasury of such state.

I. Defendant's Combined Payment of eight and one half million dollars (\$8.5 million) into the Settlement Account pursuant to paragraphs 4A and 4B hereto, and any payments by Defendant into the Settlement Account pursuant to paragraphs 4F and 4G hereto, shall be reduced proportionally by the percentage of retail sales of Relevant Panasonic and Technics Products, as listed in Attachment D hereto, attributable to the states that do not exercise their option to enter into this Agreement under the procedures set forth in Section 7 herein.

J. The above-described payments into the Settlement Account, in whole or in part, shall not under any circumstances or for any purpose constitute, nor shall they be construed as or treated as payments in lieu of treble damages, fines, penalties, punitive recoveries or forfeitures.

K. The Settlement Account shall be managed by a Trustee jointly appointed by the Plaintiff and the Defendant. The Trustee shall be responsible for investing, maintaining, administering and distributing the monies of the Settlement Account, pursuant to the terms of this Agreement and any additional instructions made in writing by the Plaintiff and the Defendant. The Trustee shall invest the Settlement Account in obligations of, or guaranteed by, the United States of America or any of its departments or agencies, to obtain the highest available return on investment. Subject to the approval of the Plaintiff and the Defendant, the Trustee may make other investments offering a higher return with similar security. The Trustee shall not act in a manner contrary to the terms of this Agreement.

L. Within forty-five (45) days after final approval of this Settlement Agreement and entry of a Final Judgment by the Court, the Attorney General of each Plaintiff State shall mail a Consumer Refund check to every Qualified Purchaser residing in their respective State, who purchased one or more Relevant Panasonic or Technics Products during the period from March 1, 1988, through and including August 31, 1988, and who has presented a valid claim pursuant to Section 5 below. The

Consumer Refund checks shall be a negotiable instrument governed by the applicable provisions of the Uniform Commercial Code and shall be valid for six (6) months from the date of the Final Judgment. Each Consumer Refund check shall be in the amount specified in the Schedule of Consumer Refunds set forth in paragraph 4D hereto for the particular product or products for which a valid claim is made.

SECTION 5. CLAIMS PROCEDURE

A. Within thirty (30) days of the date of this Agreement, Defendant Panasonic will preliminarily identify by all reasonable and legal means all persons who are potential Qualified Purchasers by producing all records it maintains or controls including, but not limited to, computer data generated by warranty cards which identify retail purchasers of Relevant Panasonic and Technics Products, as defined herein, between March 1, 1988, through and including August 31, 1988.

B. Within thirty (30) days following preliminary approval of this Agreement by the Court, Plaintiff will give notice of this Settlement, in a form agreed to by the parties and approved by the Court, by mail to all persons preliminarily identified as potential Qualified Purchasers. Plaintiff will also give notice of this settlement by publication in the form and manner set forth in the letter agreement between the State of New York and Panasonic, which is attached hereto as Attachment J, provided that the notice form and manner specified in Attachment J is approved by the Court.

C. A claim, within the time schedule, in a format and by a procedure agreed to by the parties and approved by the Court, must be properly made by any potential Qualified Purchaser as a condition to receiving a Consumer Refund payment pursuant to paragraph 4D above.

SECTION 6. COOPERATION AND IMPLEMENTATION

A. The parties shall apply to the Court for preliminary and final approval of this Settlement Agreement as soon as practicable after the execution of this Agreement. Parties to this Agreement shall have the obligation to defend vigorously this Settlement Agreement against any and all objections or challenges.

B. The parties agree to cooperate fully to implement the terms and conditions of this Agreement, and specifically to make every reasonable cooperative effort to identify Qualified Purchasers entitled to benefits pursuant to this Agreement.

C. Defendant agrees not to oppose any petition by Plaintiff for costs and attorney's fees in the amount of one per cent (1 %) of the pro rata share of the settlement of each Plaintiff State, as determined by the percentage of each such State's share of the national sales of the Relevant Panasonic and Technics Products, as specified in Attachment D hereto, or a minimum of one thousand dollars (\$1,000) for each Plaintiff State, which Plaintiff States may use for any purpose. Such attorney's fees and costs shall be considered as Administrative Costs to be paid out of the Settlement Account.

D. The parties agree that a Final Judgment, in a form substantially similar to that attached hereto as Attachment E, may be entered by the Court following final approval of this Settlement in accordance with 15 U.S.C. §15c.

E. Upon final approval of this Settlement and entry of the Final Judgment by the Court, Plaintiff will dismiss its claims against Defendant Panasonic and the John Doe defendants with prejudice, and will not sue any Panasonic retailer, dealer, distributor or other person not named as a defendant herein as to any of the claims alleged in the Complaint.

F. Within ten (10) days after entry of the Final Judgment by the Court and the expiration of the time for any appeals, Plaintiff shall execute a Release of all claims against the Settling Defendant in the form attached hereto as Attachment F.

G. Plaintiff will return to Defendant all documents and copies in Plaintiff's possession of documents produced by Defendant pursuant to Plaintiff's subpoena dated July 8, 1988, by the later of the following periods:

(1) Within ten (10) days after the claims of all Qualified Purchasers who have filed valid claims have been paid by depositing the payments in the United States mail in accordance with the procedure specified in section 5 herein, or

(2) Within ten (10) days after any sum remaining in the Settlement Account has been paid to Plaintiff States pursuant to paragraph 4H herein.

H. This Settlement Agreement shall not be used or construed by any person as an admission of liability by the Defendant to any party or person.

I. If for any reason this Settlement Agreement should not be approved by the Court or is voided pursuant to Section 9 herein, the principal in the Settlement Account, and any interest accrued thereon, shall be refunded to Defendant, reduced by the amount of out-of-pocket costs and expenses incurred in the administration of this Settlement to the date of Court disapproval. In either event, Plaintiff shall retain full rights to assert any and all causes of action against Panasonic and all retailers, dealers and distributors of Panasonic and/or Technics Products.

SECTION 7. BENEFIT AND BINDING EFFECT

A. The terms of this Agreement shall be binding on, and shall inure to the benefit of, the parties and their successors. The parties expressly disclaim any intention to create rights under this Agreement which may be enforced by any other person under any circumstances whatsoever, except as specified by paragraph 7B herein.

B. The terms of this Agreement may be entered into by the Attorney General of any State, with the exception of Hawaii, including the Corporation Counsel of the District of Columbia, who within 60 days after the date of this Agreement, takes the following action (the "Settling Attorneys General"):

(1) (a) Signs a Settlement Agreement, in the form of Attachment I hereto, and

(b) Files the executed Settlement Agreement and a Complaint against Panasonic, substantially in the form of Attachment G hereto, alleging an unlawful conspiracy to fix, maintain or stabilize resale prices of Panasonic and/or Technics Products in violation of the antitrust laws, in the United States District Court for the Southern District of New York as a related case hereto, or

(2) Designates the Attorney General of the State of New York to represent such State pursuant to §4G of the Clayton Act, 15 U.S.C. § 15g, and to file a Complaint and sign a Settlement Agreement on behalf of such State; and serves notice, substantially in the form of Attachment H hereto, by first class mail upon Defendant Panasonic and the Plaintiff State of New York expressly notifying them of its intent to participate in the terms of this Agreement.

C. Panasonic shall sign each Settlement Agreement with a Settling Attorney General in the form of Attachment I hereto as soon as reasonably practicable.

SECTION 8. TERM

This Agreement shall become effective as of the day and year first written above, and shall terminate five years after the date hereof or the date of the last payment of a valid claim of a Qualified Purchaser, whichever is later.

SECTION 9. AGREEMENT VOIDABLE

A. This Agreement is voidable at the option of either Plaintiff State of New York or Defendant Panasonic if, by the expiration of sixty (60) days after its effective date, the Attorneys General of a number of states representing the Qualified Purchasers of eighty per cent (80%) of the national retail sales of Relevant Panasonic and Technics Products, as set forth in Attachment D hereto, have not adopted the terms herein by following the procedures of paragraphs 7B(1) or 7B(2) above.

B. Plaintiff or Defendant must exercise their option to void this Agreement by notifying the other in writing within ten (10) days after the expiration of the sixty-day (60) opt-in period described in paragraph 9A above. This Agreement shall not be voidable after the expiration of said ten (10) day period.

SECTION 10. MISCELLANEOUS

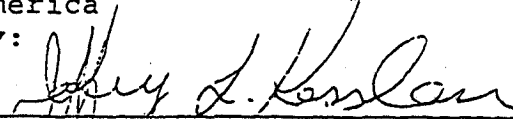
This Settlement Agreement and the Attachments contain the entire agreement and understanding of the parties. There are no additional promises or terms of the Agreement other than those contained herein. This Agreement shall not be modified except in writing signed by each of the parties hereto or by their authorized representative.

AGREED AND CONSENTED TO:

DATED:
New York, New York
January 16, 1989

Matsushita Electric Corporation of
America


By:


A MEMBER OF THE FIRM OF
WEIL, GOTSHAL & MANGES

DATED:
New York, New York
January 16, 1989

ROBERT ABRAMS
ATTORNEY GENERAL
OF THE STATE OF NEW YORK

BY:


LLOYD CONSTANTINE (JAF)
ASSISTANT ATTORNEY GENERAL
CHIEF, ANTITRUST BUREAU

SO ORDERED: _____
(Preliminary Approval)

SO ORDERED: _____
(Final Approval)

ATTACHMENT A

RELEVANT PANASONIC & TECHNICS PRODUCTS

Model Number	Distribution to Qualified Purchasers
Panasonic brand products	
<u>Video Cassette Recorder (VCR's)</u>	
PV 2800	\$19
PV 2812	\$20
PV 4800	\$22
PV 4820	\$21
PV 4860	\$26
PV 4862	\$19
<u>Camcorders</u>	
PV 400	\$45
PV 420	\$38
PV 460	\$20
<u>Telecommunications Equipment</u>	
KXT 3000 (telephone)	\$17
KXT 3880 (telephone)	\$17
KXT 2429 (answering machine)	\$18
<u>Technics brand products</u>	
SA 180 (receiver)	\$18
SCA 830 (rack system)	\$24
SCA 840 (rack system)	\$20
SLP 600 (CD player)	\$18

ATTACHMENT B

[On Panasonic Letterhead]

[NEW YORK PANASONIC/TECHNICS RETAILERS]

Dear [RETAILER]:

In July 1988, the New York State Attorney General's Office opened an investigation into Panasonic Company's sales policies -- focusing upon its policy of suggesting retail prices. Panasonic has always believed, and continues to believe, that its sales policies in no way violate the antitrust laws or any other laws. However, to expeditiously resolve the investigation and to avoid disruption to its dealers and to the conduct of its business, Panasonic Company has agreed to enter into a Settlement Agreement and Final Judgment and Consent Decree with the State of New York.

Also, as part of that settlement, Panasonic Company agreed to send this letter, which is intended to reaffirm the right of each retailer of Panasonic and Technics brand products to determine for itself the retail prices at which it will sell or advertise those products to the public. Panasonic Company will continue to suggest retail prices for its products which it believes will assist its dealers in promoting and selling those products profitably and in competition with the products of other manufacturers.

Panasonic Company, as always, remains committed to the economic health of its dealer network and we look forward to continuing to work with you to make the the sale of Panasonic and Technics products bigger and better each year.

Sincerely,

ATTACHMENT C

Suggested minimum and retail prices reflect the price ranges at which we believe our products can be most successfully merchandised. Dealers must decide for themselves the prices at which our products are actually advertised and sold.

ATTACHMENT D
 NATIONAL RETAIL SALES OF PANASONIC AND TECHNICS PRODUCTS BY STATE

<u>State</u>	<u>Percentage</u>
Alabama	0.79%
Alaska	0.14%
Arizona	0.87%
Arkansas	0.21%
California	12.59%
Colorado	1.11%
Connecticut	3.16%
Delaware	0.27%
District of Columbia	0.24%
Florida	6.40%
Georgia	3.14%
Idaho	0.12%
Illinois	3.98%
Indiana	0.91%
Iowa	1.19%
Kansas	1.77%
Kentucky	0.49%
Louisiana	1.06%
Maine	0.54%
Maryland	1.83%
Massachusetts	3.46%
Michigan	2.11%
Minnesota	2.43%
Mississippi	0.26%
Missouri	1.14%
Montana	0.09%
Nebraska	0.38%
Nevada	0.81%
New Hampshire	0.48%
New Jersey	6.12%
New Mexico	0.31%
New York	12.45%
North Carolina	1.03%
North Dakota	0.09%
Ohio	4.06%
Oklahoma	0.50%
Oregon	0.78%
Pennsylvania	6.71%
Rhode Island	0.35%
South Carolina	0.53%
South Dakota	0.12%
Tennessee	2.20%
Texas	5.15%
Utah	0.37%
Vermont	0.14%
Virginia	2.33%
Washington	3.36%
West Virginia	0.29%
Wisconsin	1.06%
Wyoming	0.14%

ATTACHMENT E

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
STATE OF NEW YORK, :
 :
 Plaintiff, :
 :
 v. : Civil Action No.
 :
 MATSUSHITA ELECTRIC CORPORATION :
 OF AMERICA, et al., :
 :
 Defendants. :
-----X

FINAL JUDGMENT AND CONSENT DECREE

The State of New York has filed a Complaint for damages and injunctive relief on its own behalf and as parens patriae on behalf of natural person citizens of New York State who purchased Panasonic and/or Technics Products, as defined in the Complaint herein, during the period of the alleged conspiracy, against Matsushita Electric Corporation of America ("Panasonic"), alleging violations of federal and state antitrust laws. Panasonic denies the allegations stated therein.

The State and Panasonic desire to resolve any and all disputes arising from the Complaint. These parties have entered into a Settlement Agreement. In full and final settlement of the claims set forth in the Complaint, Panasonic has agreed to pay validly presented claims and Administration Costs as set forth in the Settlement Agreement executed on January ____, 1989, in this action. Panasonic has also agreed to entry of this Final Judgement and Consent Decree.

Notice of the Settlement was given pursuant to Court Order in accordance with 15 U.S.C. § 15c. The Court reviewed the terms of the Settlement, the submissions of the parties in support of it, and the comments received in response to the notice. After a hearing held on _____, the Court approved the Settlement Agreement on _____.

NOW THEREFORE, without trial or adjudication of any issue of law or fact, before the taking of any testimony at trial, without the admission of liability or wrongdoing by Panasonic, and upon the consent of the parties hereto,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

I

JURISDICTION

This Court has jurisdiction over the subject matter of this action and the parties hereto. The Complaint raises claims against Panasonic under Section 1 of the Sherman Act (15 U.S.C. §1), Section 4 of the Clayton Act (15 U.S.C. §15), Section 4C of the Clayton Act (15 U.S.C. §15c), and Section 16 of the Clayton Act (15 U.S.C. §26). Jurisdiction lies in this Court pursuant to 28 U.S.C. § 1337 and 15 U.S.C. §15. The Complaint also raises pendent claims for equitable and other relief under the Donnelly Act, N.Y. General Business Law §340 et seq.

II

DEFINITIONS

As used in this Final Judgment and Consent Decree:

(a) "Panasonic and/or Technics Products" means all consumer electronics products and home appliances manufactured and/or

distributed by Panasonic under the Panasonic or Technics brand names for which suggested minimum retail prices or "Go" prices were issued by Panasonic to its customers who resell such products to end user consumers.

(b) "Relevant Panasonic and Technics Products" means the consumer electronics products manufactured and/or distributed by defendant Panasonic listed in Attachment A to the Settlement Agreement.

(c) "Go Prices" means suggested minimum retail prices issued by Panasonic between March 1, 1988, through and including August 31, 1988.

(d) "Qualified Purchaser" means a natural person or the State of New York, which purchased one or more of the Relevant Panasonic and Technics Products between March 1, 1988 and August 31, 1988, and, in the event that the Qualified Purchaser is a natural person, who resided within the State of New York at the time of such purchase or purchases.

(e) "Plaintiff" means the State of New York in its sovereign capacity and as parens patriae on behalf of all natural person citizens of New York State who purchased Panasonic and/or Technics Products during the period of the alleged conspiracy.

(f) "Defendant" means Matsushita Electric Corporation of America ("Panasonic") and its affiliates, subsidiaries, divisions, and other organizational units of any kind, which sold Panasonic and/or Technics Products as defined herein, their successors and assigns, and their directors, officers, employees, agents, representatives and other persons acting on their behalf.

III

APPLICABILITY

This Final Judgment and Consent Decree shall apply to Defendant Panasonic.

IV

INJUNCTION

A. Panasonic is restrained and enjoined for a period of five (5) years from the date of the Settlement Agreement herein from entering into any contract, combination, conspiracy, agreement or arrangement in violation of any federal or New York State antitrust laws, with any New York retailer, dealer or distributor to fix, raise, lower, peg, maintain, or stabilize the retail prices at which Panasonic and/or Technics Products are sold to the public.

B. Panasonic is further restrained and enjoined for a period of five (5) years from the date of the Settlement Agreement herein from terminating, failing to fill orders of, or discriminating in delivery, credit or other terms provided to any New York retailer, dealer or distributor of Panasonic and/or Technics Products in order to coerce said retailer, distributor or dealer to adhere to any of Panasonic's suggested retail pricing policies for such products in circumstances in which such conduct would constitute a violation of federal or New York State antitrust laws.

C. Within ten (10) days after the date hereof, Panasonic shall send the letter affixed hereto as Attachment B to all of its then current New York retailers, dealers and distributors.

D. For a period of three (3) years after the date of the Settlement Agreement herein, Panasonic shall notify its retailers, dealers and distributors that it is their right to determine independently the prices at which they will sell or advertise Panasonic and/or Technics Products to consumers by affixing a notice of disclosure (the "Disclosure") to every page of every list of suggested retail prices for any Panasonic or Technics product or products printed subsequent to the Settlement Agreement between the State of New York and Panasonic. The Disclosure shall be in language substantially similar to that set forth in Attachment C hereof, in bold-face type, no smaller than the typeface used to print the language the Disclosure is intended to modify.

E. Panasonic shall adhere to the terms of a letter Agreement with the Attorney General of the State of New York dated January __, 1989, which is incorporated herein by reference and is filed under seal with the Court as an attachment hereto and to the Settlement Agreement.

F. This Final Judgment and Consent Decree shall not be construed in any way to limit the right of Panasonic to suggest to its retailers, dealers or distributors the retail prices for Panasonic and/or Technics Products or to engage in any other behavior that is otherwise permitted by federal and New York State antitrust laws.

V

COMPLIANCE

For purposes of determining and securing compliance with this Final Judgment and Consent Decree, duly authorized representatives of the State shall be permitted upon thirty (30) days prior written notice:

(a) access during normal office hours to any and all relevant and non-privileged books, documents, correspondence, memoranda and all other records and documents in the possession, custody or control of Panasonic which relate to any of the matters contained herein or in the Settlement Agreement; and

(b) subject to the reasonable convenience of Panasonic, to interview any of the directors, officers, employees, agents, and any other persons acting on their behalf, each of whom may have counsel present, relating to any matter contained herein or in the Settlement Agreement.

Provided, however, that Panasonic retains the right to object to any such request within ten (10) days after its receipt on the grounds that the request is not relevant to the matters contained herein or in the Settlement Agreement, or otherwise is not in accordance with law. Any such objection shall be directed to this Court for a ruling, with service by mail of the objection upon the State of New York.

VI

JURISDICTION RETAINED

Jurisdiction shall be retained by this Court for the purpose of enabling any party hereto to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Final Judgment and Consent

Decree, the ruling upon any objection made pursuant to Section V, the modification of any of the provisions hereof to the extent such modification is permitted, and the punishment of a violation of any of the provisions contained herein.

This Court shall have the authority to specifically enforce the provisions of this Final Judgment and Consent Decree.

VII

On the fifth anniversary date of this Final Judgment and Consent Decree, said document shall automatically terminate without any action by either party or the Court.

UNITED STATES DISTRICT JUDGE

ATTACHMENT F

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----X

STATE OF NEW YORK, ex rel. ROBERT ABRAMS,	:	
Attorney General,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Civil Action No.
	:	
MATSUSHITA ELECTRIC CORPORATION OF	:	
AMERICA, <u>et al.</u> ,	:	
	:	
Defendants.	:	

-----X

RELEASE

KNOW ALL MEN BY THESE PRESENT that Plaintiff, the State of New York, on its own behalf and as parens patriae on behalf of natural person citizens of New York State who purchased Panasonic and/or Technics Products, as defined in the Complaint herein, during the period of the alleged conspiracy, for and in consideration of the promises and covenants set forth in the Settlement Agreement between Plaintiff and Matsushita Electric Corporation of America ("Panasonic") in the above-captioned litigation, to which this Release is attached as Attachment F, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby release, acquit, exonerate and forever discharge Panasonic, its affiliates, subsidiaries, divisions, and other organizational units of any kind which sold Panasonic and Technics Products, and their directors, officers, employees, agents, representatives and

ATTACHMENT G

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

STATE OF NEW YORK, ex rel. :
ROBERT ABRAMS, Attorney General, : COMPLAINT

Plaintiff, :
Civil Action No.

-against- :

MATSUSHITA ELECTRIC CORPORATION OF AMERICA, : JURY DEMAND
JOHN DOE 1-500, :

Defendants. :

-----X

This antitrust action, alleging a nationwide conspiracy to fix the retail price of Panasonic and Technics consumer electronics merchandise is brought by the State of New York and its Attorney General Robert Abrams (the "State"). The State brings this action on its own behalf and as parens patriae on behalf of all natural persons residing in the State who have purchased Panasonic and Technics products during the period of the conspiracy, for injunctive relief, civil penalties, and monetary relief of threefold the damage sustained as a result of the defendants' violation of the antitrust laws of the United States and of the State of New York in fixing the retail prices of consumer electronic products distributed by Matsushita Electric Corporation of America ("Panasonic").

I

JURISDICTION AND VENUE

1. This complaint is filed and the jurisdiction and venue of the Court are invoked under the provisions of 28 U.S.C. §§

1331 and 1337 and 15 U.S.C. §§ 15, 15c, and 26 to recover monetary relief for injuries sustained and for injunctive relief against continuing violations by the defendants of Section 1 of the Sherman Act, 15 U.S.C. § 1.

2. The corporation named as a defendant herein is found or resides or has an agent in the Southern District of New York. Some or all of the claims stated herein arose in the Southern District of New York.

3. The complaint also alleges violations of the Donnelly Act, New York's antitrust law, N.Y. General Business Law § 340 et seq. All claims under federal and state law are based upon a common nucleus of operative facts and the entire action commenced by this complaint constitutes a single case which would ordinarily be tried in one judicial proceeding.

4. The Court has pendent jurisdiction over the claims based upon New York law. Pendent jurisdiction should be exercised in the interests of judicial economy, convenience and fairness.

II

Definitions

5. As used herein:

(a) "Panasonic and/or Technics Products" means consumer electronics products and home appliances distributed under the Panasonic and Technics brand names for which suggested minimum retail prices were issued by defendant Panasonic to its customers who resell such products to end-user consumers.

(b) "Go Prices" means suggested minimum retail prices issued by Panasonic between March 1, 1988, through and including August 31, 1988.

(c) Panasonic and Technics products for which Go prices were issued include models of TV receivers, rack systems, Hi Fi components, CD players, VCRs, camcorders, answering machines, cordless telephones, and other consumer electronics products and home appliances.

III

Plaintiff

6. The State of New York, by its Attorney General, ROBERT ABRAMS, brings this action on its own behalf and as parens patriae on behalf of all natural persons residing in New York State who have purchased Panasonic or Technics products sold and/or distributed by the defendants and their co-conspirators, during the period of the conspiracy alleged herein in New York State. The State and the natural persons described herein ("parens patriae group") have sustained damages as a result of the violations alleged herein of Section 1 of the Sherman Act, 15 U.S.C. § 1 and the Donnelly Act, General Business law § 340 et seq. by defendants and their co-conspirators.

IV

Defendants

7. Defendant Matsushita Electric Corporation of America ("Panasonic") is incorporated under the laws of the State of Delaware and has its principal place of business at One Panasonic Way, Secaucus, New Jersey. During all or part of the period of

time covered by this complaint, Panasonic and its divisions have been engaged in the business of manufacturing electronic products and distributing consumer electronic products to wholesalers, retailers, and distributors located throughout the United States, including the State of New York. Defendant's affiliated divisions include Panasonic Company, Panasonic Industrial Company, Matsushita Industrial Company and Matsushita Services Company, among others.

8. Defendants JOHN DOE 1-500 are those retailers of Panasonic and Technics products who participated in the contract, combination or conspiracy alleged herein and sold such products to members of the parens patriae group.

V

Co-Conspirators

9. Various firms, persons, corporations, or other business entities, known and unknown to plaintiffs, not named as defendants herein, have participated as co-conspirators with defendants in the violations alleged below and have performed acts and made statements in furtherance thereof.

VI

Trade and Commerce

10. Matsushita Electric Industrial Co., Ltd, ("Matsushita") the parent company of Panasonic, is located in Kadoma, Osaka, Japan. It manufactures, sells and distributes electronic products. Matsushita sells consumer electronic products under the brand names "Panasonic" and "Technics", among others, to defendant Panasonic, the exclusive importer for the continental

United States of those products. Defendant Panasonic sells Panasonic and Technics brand products to wholesalers, distributors and retailers located throughout the United States, including approximately 648 retailers located within the State of New York.

11. The consumer electronics products sold and distributed by defendant Panasonic to the defendant retailers are shipped in interstate commerce.

12. During all or part of the period covered by this complaint, Panasonic and Technics consumer electronics products were sold at retail in New York by the defendant retailers, among others, and throughout the United States by other electronics retailers.

13. The activities of defendants including receiving, distributing, and selling Panasonic and/or Technics Products have been and are in the regular, continuous, and substantial flow of interstate commerce and have had and do have a substantial effect upon interstate commerce. A portion of these activities take place or have taken place within the State of New York.

VII

First Claim for Relief

14. Beginning in approximately January 1988, and continuing thereafter until the filing of this Complaint, defendants and their co-conspirators have continually engaged in an unlawful contract, combination, or conspiracy, in unreasonable restraint of the aforesaid interstate trade and commerce, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.

15. The aforesaid conspiracy has consisted of a continuing agreement, understanding or concert of action among defendants and their co-conspirators, the substantial terms of which have been to fix, raise, maintain or stabilize the retail prices of Panasonic and/or Technics Products.

16. For the purpose of forming, effectuating, and furthering the conspiracy, the defendants and their co-conspirators have done those things which they combined, agreed and conspired to do, including, among other things, the following:

(a) On or about January 8, 1988, at the semi-annual Consumer Electronics Show (CES) held in Las Vegas, Nevada, defendant, Panasonic announced its new corporate policy to raise profits in the retail sale of its consumer electronic products. This policy was conveyed to numerous retail distributors of Panasonic and/or Technics Products during a series of individual meetings held during the CES show. At these meetings, Panasonic representatives stated the company's intention to "restore profitability" to the sale of its products by increasing retail prices;

(b) Panasonic representatives asked each retailer with whom they met at the CES show to agree to charge the suggested minimum retail or Go prices both for in-store sales and for advertisements, including annual catalogues, fliers and newspaper ads. Panasonic told retailers that it would not continue doing business with retailers who did not adhere to Panasonic's new policy;

(c) During other meetings held in various locations including New York State, between Panasonic representatives and retailers between January and June 1988, Panasonic repeatedly attempted to coerce retailers of Panasonic and/or Technics Products to adhere to the Go prices. Panasonic told some of the retailers with whom it met that many other large retailers of Panasonic and Technics products had already agreed to adhere to the retail prices fixed by Panasonic;

(d) At meetings at the January 1988 Consumer Electronics Show and thereafter, defendant retailers agreed to adhere to the Go retail prices when selling Panasonic products.

(e) Beginning at least as early as June 1, 1988, and continuing until the date of the filing of the complaint, defendant Panasonic prepared and updated periodic bulletins entitled "Panasonic Company Retail Price Guidelines," which listed the "Guideline Minimum" or Go prices, for numerous models of Panasonic and Technics products. Panasonic management directed that the prices contained in these lists were to be verbally provided to all retailers of Panasonic products. Panasonic sales representatives were forbidden by Panasonic management to give or show these price lists to retailers. Subsequently, the sales representatives read the lists of Go prices to retailers in person or on the telephone and often refused to provide the retailers with copies of any these lists. On occasion, Panasonic representatives disregarded management's rule regarding the secrecy of the retail prices lists and allowed

retailers to photocopy the lists or telefaxed lists to other dealers;

(f) Defendant Panasonic monitored the retail prices charged by its retailers. Certain retailers who were not in compliance with Panasonic's Go prices were contacted by Panasonic representatives who attempted to coerce such retailers into compliance with the retail prices set by Panasonic.

(g) Defendant retailers agreed with defendant Panasonic to adhere to the retail prices established by defendant Panasonic;

(h) Defendant retailers advertised and sold Panasonic and/or Technics Products in compliance with the retail prices set by Panasonic;

VIII

Second Claim for Relief

17. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1 - 16 above with the same force and effect as if here set forth in full.

18. The aforementioned conspiracy by defendants and their co-conspirators were and are in violation of Section 340 and 342-a of the General Business Law of the State of New York.

IX

Effects

19. The aforesaid unlawful conspiracy has had the following effects, among others:

(a) Prices for certain Panasonic and Technics Products sold in New York have been fixed, raised, maintained or stabilized at artificially high and non-competitive levels;

(b) To the best of our knowledge and belief, retail prices for the following Panasonic and Technics brand items were affected by the retail price fixing agreements between Panasonic and certain of its retailers: some models of video cassette recorders (VCR's), camcorders, Technics audio products, certain telephone and answering machine models.

(c) Price competition among retailers of Panasonic and Technics consumer electronics products in New York has been restrained;

(d) The State of New York and natural person residents of New York have been denied the benefits of free and open competition among retailers of Panasonic and Technics consumer electronics products and, as a result, have paid more for Panasonic and/or Technics Products than they would have paid in a competitive marketplace.

X

Injury

20. As a result of the illegal conspiracy, the State of New York and natural persons residing in the State of New York have sustained injury to their property in amounts presently undetermined.

21. The Plaintiff State of New York, and natural persons residing within the State of New York are threatened with further injury to their property unless the defendants are enjoined from continuing or renewing their illegal conduct.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays that:

A. The Court adjudge and decree that the aforesaid conspiracy by defendants and their co-conspirators violates Section 1 of the Sherman Act, 15 U.S.C. § 1 and Section 340 of the New York General Business Law;

B. Judgment be entered against defendants, jointly and severally, for three times the amount of damages suffered by the plaintiff State of New York and the parens patriae group in accordance with Section 4 and 4c of the Clayton Act, 15 U.S.C. §§ 15, 15c;

C. Judgment be entered against each defendant corporation for a penalty of \$1,000,000, for each violation, in accordance with Section 342-a of the New York General Business Law;

D. Defendants, their successors, assigns, subsidiaries and transferees and their respective officers, directors, agents, employees and all other persons claiming to act on their behalf or in concert or participation with them be enjoined in accordance with Section 16 of the Clayton Act, 15 U.S.C. § 26 and Section 342 of the New York General Business Law from: (i) directly or indirectly continuing, maintaining or renewing the aforesaid combination, conspiracy, agreement, understanding, plan, arrangement, program, or concert of action among themselves, their co-conspirators, or with any other persons, corporations, business entities or organizations to fix, stabilize, raise, maintain or otherwise collectively determine any price, discount, or other term or condition for any sale, offer to sell, or contract concerning the sale of Panasonic and Technics consumer electronic products; and (ii) taking any

retaliatory actions against any past or present retailer of Panasonic and Technics brand electronic products;

E. Plaintiff be awarded the cost of suit, including a reasonable attorney's fee, as provided for by Sections 4c and 16 of the Clayton Act, 15 U.S.C. §§ 15c, 26; and

F. Plaintiff be granted such other and further relief as the Court may deem just and proper.

Demand for Jury Trial

Plaintiff, in accordance with Rule 38(b) of the Federal Rules of Civil Procedure, demands a trial by jury.

Dated: New York, New York
January , 1989

ROBERT ABRAMS
Attorney General of the
State of New York

By:

LLOYD CONSTANTINE
Assistant Attorney General
Chief, Antitrust Bureau
120 Broadway, Suite 2601
New York, New York 10271
(212) 341-2275

Of Counsel

TIMOTHY CONE
SUSAN BETH FARMER
LINDA GARGIULO
Assistant Attorneys General

ATTACHMENT H

Participation in Panasonic Settlement

RE: State of New York v.
Matsushita Electric Corp. of
America, Inc., et al. (Panasonic)

Dear Attorney General Abrams:

This is to notify you that I elect to participate in the Settlement Agreement between the State of New York and Panasonic on behalf of the State of _____ and the natural person citizens of this state as parens patriae.

I hereby designate the Attorney General of New York as our representative for the purpose of bringing such action, and entering into the Settlement Agreement with Panasonic.

Very truly yours,

Attorney General
State of _____

ATTACHMENT I

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this _____ day of January 1989, by and between the State of _____ by _____, Attorney General, and Panasonic Company, a division of Matsushita Electric Corporation of America (hereinafter referred to as "Panasonic"). The terms of this Agreement shall be available to all States and the District of Columbia with the exception of Hawaii (the "States") as provided under the terms of paragraph 7 hereto.

WHEREAS, the State of _____ will file a Complaint for damages and injunctive relief against Panasonic, alleging violations of federal and state antitrust laws on its own behalf and as parens patriae on behalf of natural person citizens of _____ State who have purchased Panasonic and/or Technics Products, as defined herein, during the period of the alleged conspiracy;

WHEREAS, Panasonic denies the allegations set forth in the State's Complaint; and

WHEREAS, the parties have determined it to be in their best interests to resolve this dispute and enter into this Settlement Agreement:

NOW, THEREFORE, WITNESSETH:

SECTION 1. DEFINITIONS

As used herein:

A. "Panasonic and/or Technics Products" means all consumer electronics products and home appliances manufactured and/or distributed by Panasonic under the Panasonic or Technics brand names for which suggested minimum retail prices or "Go" prices were issued by Panasonic to its customers who resell such products to end-user consumers.

B. "Relevant Panasonic and Technics Products" means the consumer electronics products manufactured and/or distributed by defendant Panasonic identified in Attachment A hereto.

C. "Go Prices" means suggested minimum retail prices issued by Panasonic between March 1, 1988, through and including August 31, 1988.

D. "Qualified Purchaser" means a natural person or a state participating in this Agreement ("Plaintiff State") which purchased one or more of the Relevant Panasonic and Technics Products between March 1, 1988 and August 31, 1988, and, in the event that the Qualified Purchaser is a natural person, resided within the State of _____ or other Plaintiff State at the time of such purchase or purchases.

E. "Plaintiff" means the State of _____ in its sovereign capacity and as parens patriae on behalf of all natural person citizens of _____ who have purchased Panasonic and/or Technics Products during the period of the alleged conspiracy.

F. "Attorney General" means the Attorney General of the State of _____.

G. "Defendant" means Matsushita Electric Corporation of America ("Panasonic") and its affiliates, subsidiaries,

divisions, and other organizational units of any kind, which sold Panasonic and/or Technics Products as defined herein, their successors and assigns, and their officers, directors, employees, agents, representatives and other persons acting on their behalf.

H. "Settlement Account" means an interest-bearing escrow account established by Plaintiff and Defendant and administered by a trustee appointed pursuant to paragraph 4K herein for the purpose of implementing this Agreement. The principal of the Settlement Account shall be funded as described in Section 4 below.

I. "Administration Costs" means all of the costs associated with administering this Settlement and paying valid claims of Qualified Purchasers including, but not limited to, notice by first class mail to all potential Qualified Purchasers who can reasonably be identified by any legal means, notice by publication, printing and copying, review and verification of claims, postage and mailing costs, and attorney's fees and costs as set forth in paragraph 6C hereto.

SECTION 2. AGREEMENT

Subject to the approval of the Court, the parties agree to compromise, settle and resolve fully and finally, any and all claims, actions or causes of action arising under any federal or state antitrust laws which are alleged in the Complaint attached hereto, which Plaintiff had, now has, or may have against Defendant as of the date of this Agreement.

SECTION 3. INJUNCTION

A. Panasonic agrees that, for a period of five (5) years from the date of this Agreement, it will not, in violation of any federal or _____ State antitrust laws, enter into any contract, combination, conspiracy, agreement or arrangement with any _____ retailer, dealer or distributor to fix, lower, raise, peg, maintain or stabilize the retail prices at which Panasonic and/or Technics Products are sold to the public.

B. Panasonic agrees that, for a period of five (5) years from the date of this Agreement, it will not terminate, fail to fill orders of, or discriminate in delivery, credit or other terms provided to any _____ retailer, dealer or distributor of Panasonic and/or Technics Products in order to coerce said retailer, dealer or distributor to adhere to any of Panasonic's suggested retail pricing policies in circumstances in which such conduct would constitute a violation of federal or _____ State antitrust laws.

C. Within ten (10) days after the Court enters the Final Judgment and Consent Decree in this matter (the "Final Judgment"), Panasonic agrees to send the letter affixed hereto as Attachment B hereto to all of its then current _____ retailers, dealers and distributors.

D. For a period of three (3) years from the date of this Agreement, Panasonic shall notify its retailers, dealers and distributors that it is their right to determine independently the prices at which they will sell or advertise Panasonic and/or Technics Products to consumers by affixing a notice of disclosure

(the "Disclosure") to every page of every list of suggested retail prices for any Panasonic or Technics product or products printed subsequent to the date of the Settlement Agreement between the State of New York and Panasonic. The Disclosure shall be in language substantially similar to that set forth in Attachment C hereto, in bold-face type, no smaller than the typeface used to print the language the Disclosure is intended to modify.

E. This Agreement shall not be construed in any way to limit the right of Panasonic to suggest to its retailers, dealers or distributors retail prices for Panasonic and/or Technics Products, or to engage in any other behavior that is otherwise permitted by federal and _____ State antitrust laws.

SECTION 4. MONETARY PAYMENTS

A. No later than ten (10) days after the Court's preliminary approval of this Agreement, Panasonic shall pay into the Settlement Account the sum of one million dollars (\$1 million) to be available to pay any initial costs of administering this Settlement, including, without limitation, the costs associated with providing notice to potential Qualified Purchasers who are members of the parens patriae group (the "Initial Payment").

B. No later than ten (10) days after the Court's final approval of this Agreement, Panasonic shall pay into the Settlement Account an additional sum of up to seven and one half million dollars (\$7.5 million) (the "Second Payment") so that the

combined sum deposited in the Settlement Account totals eight and one half million dollars (\$8.5 million) (the "Combined Payment"), subject to the provisions of paragraph 4I herein.

C. Panasonic's payments hereunder have been determined to be in an amount to satisfy valid claims of Qualified Purchasers under the procedures described herein and associated administrative costs of implementation of the Settlement Agreement. Defendant is making payment into the settlement fund solely as compensatory damages and as payment for the associated administrative costs. The plaintiff has not sought the imposition of criminal or civil fines or penalties (or payments in lieu thereof) as parts of this settlement. Payments hereunder do not constitute, nor shall they be construed as or treated as, payments in lieu of treble damages, fines, penalties, punitive recoveries or forfeitures.

D. All Qualified Purchasers of Relevant Panasonic and Technics Products who make valid claims under Section 5 herein shall be paid in the amounts specified in the schedule below, except where the Attorney General of any state increases the payment pursuant to paragraph H(1) herein, (the "Consumer Refund"):

SCHEDULE OF CONSUMER REFUNDS

Model No. PV 2800:	\$19 per item
Model No. PV 2812:	\$20 per item
Model No. PV 4800:	\$22 per item
Model No. PV 4820:	\$21 per item
Model No. PV 4860:	\$26 per item

Model No. PV 4862:	\$19 per item
Model No. PV 400:	\$45 per item
Model No. PV 420:	\$38 per item
Model No. PV 460:	\$20 per item
Model No. KXT 3000:	\$17 per item
Model No. KXT 3880:	\$17 per item
Model No. KXT 2429:	\$18 per item
Model No. SA 180:	\$18 per item
Model No. SCA 830:	\$24 per item
Model No. SCA 840:	\$20 per item
Model No. SLP 600:	\$18 per item

The foregoing Consumer Refund payments to Qualified Purchasers who present valid claims and all Administration Costs shall be paid from the Settlement Account.

E. Panasonic has represented to the Plaintiff that it believes that there are 665,121 Qualified Purchasers in all of the States. If all such Qualified Purchasers claim their Consumer Refunds in the amounts specified in the Schedule of Consumer Refunds set forth in paragraph 4D above by making valid claims, the total amount paid out as Consumer Refunds, not including Administration Costs, would equal sixteen million dollars (\$16 million).

F. In the event that valid claims of Qualified Purchasers nationwide and Administration Costs exceed the Combined Payment, plus any interest accrued thereon, which has been deposited in the Settlement Account pursuant to paragraphs 4A and 4B herein, Panasonic shall make such additional payments to the Settlement

Account of up to seven and one half million dollars (\$7.5 million) as are necessary to pay such claims of all Qualified Purchasers at the rates specified in the Schedule of Consumer Refunds set forth in paragraph 4D herein, subject to the provisions of paragraph 4I herein. In addition, Panasonic shall make such additional payments of up to two million dollars (\$2 million) to the Settlement Account as are necessary to pay all Administration Costs of this Settlement which cannot otherwise be satisfied from the Settlement Account, including any interest accrued thereon.

G. In the event that there are more than 665,121 bona fide Qualified Purchasers who present valid claims for Consumer Refunds, it shall be the obligation of Panasonic to pay such additional sums as are necessary to reimburse all such Qualified Purchaser claimants according to the Schedule of Consumer Refunds, set forth in paragraph 4D herein, and in addition to pay Administration Costs.

H. If not all Qualified Purchasers claim their refunds such that as of six months after the date of the Final Judgment there are funds remaining in the Settlement Account, whether deposited in the Settlement Account pursuant to paragraphs 4A and 4B herein or accrued thereon as interest, such funds shall be distributed among the Plaintiff States in proportion to each Plaintiff State's percentage share of the national sale of the Relevant Panasonic and Technics Products, as specified in Attachment D hereto. In such event, each Plaintiff State's share of the sum remaining in the Settlement Account shall be used

solely for one or more of the following four (4) purposes, as determined by the Attorney General of each Plaintiff State, at his or her exclusive option:

(1) Increased Consumer Refunds to Qualified Purchasers who have filed valid claims, on a proportional or per capita basis, and/or the first class postage costs for each such Qualified Purchaser,

(2) Antitrust enforcement by the Attorney General of such state,

(3) Deposit in a state antitrust revolving fund, or

(4) Deposit in the treasury of such state.

I. Defendant's Combined Payment of eight and one half million dollars (\$8.5 million) into the Settlement Account pursuant to paragraphs 4A and 4B hereto, and any payments by Defendant into the Settlement Account pursuant to paragraphs 4F and 4G hereto, shall be reduced proportionally by the percentage of retail sales of Relevant Panasonic and Technics Products, as listed in Attachment D hereto, attributable to the states that do not exercise their option to enter into this Agreement under the procedures set forth in Section 7 herein.

J. The above-described payments into the Settlement Account, in whole or in part, shall not under any circumstances or for any purpose constitute, nor shall they be construed as or treated as, payments in lieu of treble damages, fines, penalties, punitive recoveries or forfeitures.

K. The Settlement Account shall be managed by a Trustee jointly appointed by the State of New York and the Defendant.

The Trustee shall be responsible for investing, maintaining, administering and distributing the monies of the Settlement Account, pursuant to the terms of this Agreement and any additional instructions made in writing by the State of New York and the Defendant. The Trustee shall invest the Settlement Account in obligations of, or guaranteed by, the United States of America or any of its departments or agencies, to obtain the highest available return on investment. Subject to the approval of the State of New York and the Defendant, the Trustee may make other investments offering a higher return with similar security. The Trustee shall not act in a manner contrary to the terms of this Agreement.

L. Within forty-five (45) days after final approval of this Settlement Agreement and entry of a Final Judgment by the Court, the Attorney General of each Plaintiff State shall mail a Consumer Refund check to every Qualified Purchaser residing in their respective State, who purchased one or more Relevant Panasonic or Technics Products during the period from March 1, 1988, through and including August 31, 1988, and who has presented a valid claim pursuant to Section 5 below. The Consumer Refund checks shall be a negotiable instrument governed by the applicable provisions of the Uniform Commercial Code and shall be valid for six (6) months from the date of the Final Judgment. Each Consumer Refund check shall be in the amount specified in the Schedule of Consumer Refunds set forth in paragraph 4D hereto for the particular product or products for which a valid claim is made.

SECTION 5. CLAIMS PROCEDURE

A. Within thirty (30) days of the date of this Agreement, Defendant Panasonic will preliminarily identify by all reasonable and legal means all persons who are potential Qualified Purchasers by producing all records it maintains or controls including, but not limited to, computer data generated by warranty cards which identify retail purchasers of Relevant Panasonic and Technics Products, as defined herein, between March 1, 1988, through and including August 31, 1988.

B. Within thirty (30) days following preliminary approval of this Agreement by the Court, Plaintiff will give notice of this Settlement, in a form agreed to by the parties and approved by the Court, by mail to all persons preliminarily identified as potential Qualified Purchasers. Plaintiff will also give notice of this settlement by publication in the form and manner set forth in the letter agreement between the State of New York and Panasonic, which is affixed hereto as Attachment J, provided that the notice form and manner specified in Attachment J is approved by the Court.

C. A claim, within the time schedule, in a format and by a procedure agreed to by the parties and approved by the Court, must be properly made by any potential Qualified Purchaser as a condition to receiving a Consumer Refund payment pursuant to paragraph 4D above.

SECTION 6. COOPERATION AND IMPLEMENTATION

A. The parties shall apply to the Court for preliminary and final approval of this Settlement Agreement as soon as practicable after the execution of this Agreement. Parties to this Agreement shall have the obligation to defend vigorously this Settlement Agreement against any and all objections or challenges.

B. The parties agree to cooperate fully to implement the terms and conditions of this Agreement, and specifically to make every reasonable cooperative effort to identify Qualified Purchasers entitled to benefits pursuant to this Agreement.

C. Defendant agrees not to oppose any petition by Plaintiff for costs and attorney's fees in the amount of one per cent (1 %) of the pro rata share of the settlement of each Plaintiff State, as determined by the percentage of each such State's share of the national sales of the Relevant Panasonic and Technics Products, as specified in Attachment D hereto, or a minimum of one thousand dollars (\$1,000) for each Plaintiff State, which Plaintiff States may use for any purpose. Such attorney's fees and costs shall be considered as Administrative Costs to be paid out of the Settlement Account.

D. The parties agree that a Final Judgment, in the form attached hereto as Attachment E, may be entered by the Court following final approval of this Settlement in accordance with 15 U.S.C. §15c.

E. Upon final approval of this Settlement and entry of the Final Judgment by the Court, Plaintiff will dismiss its claims

against Defendant Panasonic and the John Doe defendants with prejudice, and will not sue any Panasonic retailer, dealer, distributor or other person not named as a defendant herein as to any of the claims alleged in the Complaint.

F. Within ten (10) days after entry of the Final Judgment by the Court and the expiration of the time for any appeals, Plaintiff shall execute a Release of all claims against the Settling Defendant in the form attached hereto as Attachment F.

G. Plaintiff will return to Defendant all documents and copies in Plaintiff's possession of documents produced by Defendant pursuant to New York State's subpoena dated July 8, 1988, by the later of the following periods:

(1) Within ten (10) days after the claims of all Qualified Purchasers who have filed valid claims have been paid by depositing the payments in the United States mail in accordance with the procedure specified in section 5 herein, or

(2) Within ten (10) days after any sum remaining in the Settlement Account has been paid to Plaintiff States pursuant to paragraph 4H herein.

H. This Settlement Agreement shall not be used or construed by any person as an admission of liability by the Defendant to any party or person.

J. If for any reason this Settlement Agreement should not be approved by the Court or is voided pursuant to Section 9 herein, the principal in the Settlement Account, and any interest accrued thereon, shall be refunded to Defendant, reduced by the amount of out-of-pocket costs and expenses incurred in the

administration of this Settlement to the date of Court disapproval. In either event, Plaintiff shall retain full rights to assert any and all causes of action against Panasonic and all retailers, dealers and distributors of Panasonic and/or Technics Products.

SECTION 7. BENEFIT AND BINDING EFFECT

A. The terms of this Agreement shall be binding on, and shall inure to the benefit of, the parties and their successors. The parties expressly disclaim any intention to create rights under this Agreement which may be enforced by any other person under any circumstances whatsoever, except as specified by paragraph 7B herein.

B. The terms of this Agreement may be entered into by the Attorney General of any State, with the exception of Hawaii, including the Corporation Counsel of the District of Columbia, who within 60 days after the date of the Agreement between New York State and Panasonic, takes the following action (the "Settling Attorneys General"):

(1) (a) Signs a Settlement Agreement, in the form of Attachment I hereto, and

(b) Files the Settlement Agreement and a Complaint against Panasonic, substantially in the form of Attachment G hereto, alleging an unlawful conspiracy to fix, maintain or stabilize resale prices of Panasonic and/or Technics Products in violation of the antitrust laws, in the United States District

Court for the Southern District of New York as a related case to New York v. Matsushita Electric Corporation of America, Inc., or

(2) Designates the Attorney General of the State of New York to represent such State pursuant to §4G of the Clayton Act, 15 U.S.C. § 15g, and to file a Complaint and sign a Settlement Agreement on behalf of such State; and serves notice, substantially in the form of Attachment H hereto, by first class mail upon Defendant Panasonic and the Plaintiff State of New York expressly notifying them of its intent to participate in the terms of this Agreement.

C. Panasonic shall sign each Settlement Agreement with a Settling Attorney General that is in the form of Attachment I hereto as soon as reasonably practicable.

SECTION 8. TERM

This Agreement shall become effective as of the day and year of the Settlement Agreement between New York State and Panasonic, and shall terminate five years after the date thereof or the date of the last payment of a valid claim of a Qualified Purchaser, whichever is later.

SECTION 9. AGREEMENT VOIDABLE

A. This Agreement is voidable at the option of either Plaintiff State of New York or Defendant Panasonic if, by the expiration of sixty (60) days after the effective date of the Agreement between Panasonic and New York State, the Attorneys General of a number of states representing the Qualified

Purchasers of eighty per cent (80%) of the national retail sales of Relevant Panasonic and Technics Products, as set forth in Attachment D hereto, have not adopted the terms herein by following the procedures of paragraphs 7B(1) or 7B(2) above.

B. Plaintiff or Defendant must exercise their option to void this Agreement by notifying the other in writing within ten (10) days after the expiration of the sixty-day (60) opt-in period described in paragraph 9A above. This Agreement shall not be voidable after the expiration of said ten (10) day period.

SECTION 10. MISCELLANEOUS

This Settlement Agreement and the Attachments contain the entire agreement and understanding of the parties. There are no additional promises or terms of the Agreement other than those contained herein. This Agreement shall not be modified except in writing signed by each of the parties hereto or by their authorized representative.

AGREED AND CONSENTED TO:

DATED:
New York, New York
_____, 1989

Matsushita Electric Corporation of
America
By:

A MEMBER OF THE FIRM OF
WEIL, GOTSHAL & MANGES

DATED:
_____, 1989

ATTORNEY GENERAL
OF THE STATE OF _____

BY:

ASSISTANT ATTORNEY GENERAL
CHIEF, ANTITRUST BUREAU.

SO ORDERED: _____
(Preliminary Approval)

SO ORDERED: _____
(Final Approval)



STATE OF NEW YORK
DEPARTMENT OF LAW
120 BROADWAY
NEW YORK, NY 10271

ROBERT ABRAMS
Attorney General

LLOYD CONSTANTINE
Assistant Attorney General in Charge
Antitrust Bureau

(212) 341-2274

ATTACHMENT J

January 16, 1989

Jeffrey Kessler, Esq.
Weil; Gotshal & Manges
767 Fifth Avenue
New York, New York 10153

Re: State of New York v. Matsushita Electric
Corporation of America

Dear Mr. Kessler:

The State of New York and Matsushita Electric Corporation of America ("Panasonic") have agreed upon certain terms with regard to providing notice of the proposed settlement of the above-captioned lawsuit. These notice provisions shall be binding upon any State which elects to opt into the proposed Settlement negotiated between the State of New York and Panasonic (the "Settlement").

The agreed upon notice provisions are as follows:

(a) Panasonic shall provide the State of New York and any other State (but excluding Hawaii) or the District of Columbia which elects to participate in the Settlement (the "Settling States") with a list of all persons who are potential Qualified Purchasers by producing all records it maintains or controls and is legally permitted and reasonably able to provide including, but not limited to, computer data generated by warranty cards which identify retail purchasers of the products covered by the Settlement.

(b) Subject to Court approval, the notice and claims period shall commence 30 days after the receipt of preliminary court approval of the Settlement. During the notice and claims period set by the Court, each settling state shall send by first class mail notice of the Settlement and a claim form ("Notice and Claim Form"), the text of which will be agreed upon by the parties and approved by the Court, to all persons previously identified by Panasonic as potential Qualified Purchasers within such state.

This Notice and Claim Form shall be substantially similar in structure, format and general provisions to the "Notice of Proposed Settlement" attached as Exhibit A to Plaintiffs' Proposed Plan of Notice and Claims Procedure in State of New York v. Minolta Corp. et. al., No. B86-2771 (D.Md. 1986), to the extent that the terms contained therein are not inconsistent with this letter agreement or the Settlement in this action.

(c) Notice of the settlement of this lawsuit shall also be directed to persons who may be entitled to payment under the terms of the Settlement by publication of notices in newspapers circulated within each Settling State. The size of the newspaper notice shall be 3 columns by 5½ inches of display advertising. The notice shall appear twice in each newspaper agreed upon by the parties. One of the two notices to be inserted in each agreed upon newspaper may be published in a Sunday edition of such paper. The other notice shall be published in a weekday edition of each newspaper. Where no Sunday edition is published both notices shall appear in weekday editions or at the option of the Settling State one notice shall appear in a weekday edition and the second in a Saturday edition.

The dates on which newspaper notices shall be published, within the notice and claims period set by the Court, shall be within the discretion of each Settling State.

(d) Notice of the Settlement of New York State's lawsuit against Panasonic shall be published in the newspapers listed in the Attachment hereto. The newspapers listed in this Attachment were those in which New York State published notice of its settlement of an antitrust action against the Minolta Corporation, State of New York v. Minolta Corp. et al.

(e) With regard to the other Settling States herein which are the same as the 36 states which were parties to the 1986 Minolta Camera Products Antitrust Litigation ("Minolta Litigation"), notice of the settlement of their lawsuits against Panasonic shall, to the extent possible, be published in the same newspapers in which each Settling State published notice of its settlement with the Minolta Corporation in connection with the Minolta Litigation. In the event that any of the previously agreed upon newspapers no longer exists or if major circulation changes have occurred, alternative newspapers providing similar coverage to those eliminated shall be agreed upon by the parties.

(f) With regard to the Settling States herein which were not parties to the Minolta Litigation, notice of the Settlement shall be published in newspapers circulated within such states agreed upon by the parties so as to effect full coverage of the State comparable to the notice coverage to be provided in the other Settling States.

(g) In addition, two notices of the agreed-upon size shall be published in USA Today. The dates on which these two notices shall be published, within the notice and claims period set by the Court, shall be entirely within the discretion of the State of New York.

(h) Each person responding to the published notices shall be sent, by first class mail, notice of the terms of the Settlement and a claim form.

(i) To qualify for payment pursuant to the Settlement, all claim forms of qualified purchasers must be filled out and postmarked or otherwise received by the Settling States, or by any claims processor designated by the parties, within 120 days following the date set by the Court for the commencement of the notice and claims process.

Where a claimant seeks payment for only one of the eligible products or more than one of the eligible products, providing no more than one is from any of the four product categories which are part of the Settlement, i.e., VCR's, camcorders, telephones and telephone/answering machine combination units and Technics audio equipment, a payment receipt is not required for the claim to be eligible for payment, provided that the Claimant signs the sworn statement on the form. Where a claimant seeks payment for more than one product from any of the 4 product categories which are part of the Settlement, a dated payment receipt for all products but one from each product category must be submitted with the claim form.

(j) Purchases of any of the eligible products during the relevant period by the Settling States, including their bureaus, agencies and departments shall entitle the Settling States to payments from the settlement fund in the same manner and amount as if such purchases were made by a natural person qualified purchaser. The Settling States may aggregate all such claims and supporting receipts and documents into a single claim to be filed.

(k) On or before one hundred and thirty-five (135) days after the date set by the Court for the commencement of the notice and claims process, the parties will determine the qualification of each claim submitted pursuant to Paragraph (i) above. A claim objected to by either party on reasonable grounds as being unqualified shall be deemed to be rejected. Panasonic will not object to any claims submitted by those persons identified pursuant to Paragraph (a) above.

(l) On or before one hundred forty (140) days after the date set by the Court for the commencement of the notice and claims process, any persons whose claim has been rejected by either party will be notified of the rejection, the reasons for the rejection, and such person's right as to reconsideration and appeal.

(m) On or before one hundred fifty-five (155) days after the date set by the Court for the commencement of the notice and claims process, any person whose claim has been rejected by either party may ask for reconsideration of this status and may present further evidence of his claim. The parties will notify such persons of the results of the reconsideration.

(n) On or before one hundred seventy (170) days after the date set by the Court for the commencement of the notice and claims process, any person whose claim remains rejected by either party may petition the Court for a final determination of his status..

Very truly yours,

Lloyd Constantine (537)

LLOYD CONSTANTINE

LC:ma