

# KEN PAXTON

## Supreme Court Denies Apple's Request to Review E-books Price-Fixing Case; Apple to pay millions for its role in scheme to inflate E-book prices

*Monday, March 7, 2016 – Austin, Texas*

Texas Attorney General Ken Paxton today announced the U.S. Supreme Court denied Apple Inc.'s request for the Court to review a lower court decision, clearing the way for the distribution of \$400 million to U.S. consumers who paid artificially-inflated prices for e-books. The lower court held Apple liable for conspiring with five major publishers to raise the prices of electronic books.

"No company is above the law, and when corporations illegally conspire to raise prices, they will be held accountable," said Texas Attorney General Ken Paxton. "I'm pleased that e-book consumers in Texas and throughout the country will now be compensated for the damages they suffered as a result of this conspiracy."

Texas and Connecticut led a group of 33 states in investigating and prosecuting the antitrust case against Apple and its co-conspirators. In July 2013, the U.S. District Court for the Southern District of New York ruled that Apple conspired to raise prices with: Penguin Group (USA), Inc. (now Penguin Random House); Holtzbrinck Publishers LLC d/b/a Macmillan; Hachette Book Group Inc.; HarperCollins Publishers LLC; and Simon & Schuster Inc.

The case was tried jointly, between the 33-state coalition and the U.S. Department of Justice. The district court's ruling was affirmed by the United States Court of Appeals for the Second Circuit in June 2015. With the Supreme Court declining to review that decision, Apple has no further opportunity to contest its liability.

All five of the publishers settled prior to trial, and paid a total of approximately \$166 million in nationwide consumer compensation. The states' settlement with Apple was contingent on the outcome of Apple's appeal of the ruling, meaning Apple must now pay the maximum contemplated amounts. In addition to the

\$400 million to be distributed to consumers – including those represented by private counsel in a related class action – Apple will pay \$20 million to the states in reimbursement for fees and costs and to resolve claims for civil penalties.

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