

Press Release

Pa. residents to receive refunds from \$400 million settlement reached with Apple over e-book price-fixing lawsuit

6/20/2016

HARRISBURG - Attorney General Kathleen G. Kane's office today announced eligible Pennsylvania consumers are expected to receive as much as \$16.8 million under a \$400 million settlement reached with Apple, Inc. The settlement was reached after the Pennsylvania Office of Attorney General, the U.S. Department of Justice and attorneys general for 32 other states successfully litigated a lawsuit against Apple in federal court.

Eligible Pennsylvania consumers will receive the money in account credits or checks. The amounts received by e-book purchasers will be based on the number of e-books purchased between April 1, 2010 and May 21, 2012.

The sum announced today is in addition to \$6.7 million already paid to Pennsylvanians from a previous settlement with Hachette Book Group Inc., HarperCollins Publishers LLC, Simon & Schuster Inc., Holtzbrinck Publishers, LLC, doing business as Macmillan, and Penguin Group (USA) Inc.

A lawsuit was filed in 2012 by Attorney General Kane's office and the parties mentioned above. The lawsuit alleged that Apple conspired with five of the largest e-book publishers in the country to increase the prices of e-books around the time Apple first offered its iPad for sale.

After a civil trial in July 2013, the United States District Court for the Southern District of New York determined that Apple had violated antitrust laws by orchestrating a conspiracy with the five publishers to artificially raise prices for e-books between 2010 and 2012. Apple agreed to pay \$400 million to consumers after the United States Supreme Court denied Apple's request to review the decision of a lower court, which found Apple had violated antitrust laws.

These payments to consumers, which are expected to begin June 21, consist of the \$400 million Apple payment and additional funds remaining from the previous publisher settlements. The \$566 million total nationwide compensation to consumers is more than twice the estimated amount of actual damages.

Customers who purchased e-books through Sony or Google will receive checks in the mail. Customers who purchased e-books through Amazon, Apple, Barnes & Noble or Kobo will automatically receive credits in their accounts (unless they previously requested to receive checks). Customers receiving account credits should expect to receive an email between June 21 and June 24, indicating that the credits are available in their accounts. Credits can be used to purchase anything sold by these retailers, not only e-books.

A settlement administrator has set up a website and toll-free phone number for consumers with questions about this distribution. Please visit www.ebooklawsuits.com (<http://www.ebooklawsuits.com/>) or call 866-686-9333 for more information.

This case was handled on behalf of Pennsylvanians by the Office of Attorney General's Antitrust Section. The section works to protect the free enterprise system by detecting anti-competitive practices and taking legal action to stop them.

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