

NEWS RELEASE

# Luther Strange

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FOR IMMEDIATE RELEASE

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## AG LUTHER STRANGE ANNOUNCES \$400 MILLION NATIONAL COMPENSATION FROM APPLE FOR E-BOOK PRICE-FIXING

(MONTGOMERY) – Attorney General Luther Strange announced that consumers in Alabama and nationwide should begin receiving account credits tomorrow as compensation from Apple Inc. due to a successful multi-state prosecution for price-fixing of electronic books (E-books). Alabama residents will receive an estimated approximately \$6,357,100.\*

“With this compensation, we have held Apple accountable for its price-fixing actions, and that ensured consumers who were damaged are receiving compensation for their losses,” said Attorney General Strange. “This should send a message throughout the nation that such schemes will not be tolerated.”

Alabama was among a group of 33 states that investigated and prosecuted Apple for its participation in a conspiracy to artificially inflate the prices of E-books. In June 2013, the states, along with the U.S. Department of Justice, tried the case against Apple. In July of 2013, the U.S. District Court for the Southern District of New York ruled that Apple had conspired with five major American publishers--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. – to raise the retail prices of E-books. In June of 2015, the U. S. Court of Appeals for the Second Circuit affirmed that ruling. Then, in March of 2016, the U.S. Supreme Court denied Apple’s request to review the Second Circuit’s decision. Under a contingent settlement agreement between the states and Apple, the Supreme Court’s decision triggered Apple’s obligation to pay the maximum consumer compensation amount of \$400 million.

All five of the conspiring publishers settled prior to trial, paying a total of approximately \$166 million in nationwide consumer compensation. Most of that money was distributed to consumers in March of 2014. The distribution that will begin tomorrow consists of the \$400 million Apple payment and additional funds remaining from the publisher settlements. The \$566 million total nationwide compensation to consumers is more than twice the estimated amount of actual damages. 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. For each E-book that was a New York Times bestseller, consumers will receive \$6.93. For all other E-books, the payment will be \$1.57.

Consumers 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. Due to the large number of consumers affected, it will take a few days to fully load account credits, so some consumers may not see credits in their accounts until Friday, June 24. Credits can be used to purchase anything sold by these retailers, not only E-books.

The Settlement Administrator has set up a website and toll-free number for consumers with questions about this distribution. Please visit [www.ebooklawsuits.com](http://www.ebooklawsuits.com) or call 1(866) 686-9333 for more information.

*\*Alabama residents will receive approximately \$6,357,100 for the e-book settlement. This is a very approximate number using the following equation: Alabama has 1.51% of the population; we multiply that by \$421 million and we come up with approximately \$6,357,100.*



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