



# News Release

## Office of the Attorney General

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### **E-Books Settlement begins Payout of \$400 Million**

Tennessee Attorney General Herbert H. Slatery III today announced Tennessee residents who purchased electronic books (E-books) could begin receiving account credits or checks this week. Payments are the result of the successful prosecution of a price-fixing case against Apple, Inc. in 2013.

Tennessee joined a group of 33 states, led by Connecticut and Texas, in investigating and prosecuting Apple for its participation in the conspiracy to artificially inflate E-book prices. Apple is obligated to pay \$400 million in nationwide consumer compensation after the United States Supreme Court denied Apple's request to review a lower court's finding that the company violated antitrust laws.

"Returning the hard-earned money of Tennessee consumers was the primary goal in this litigation," Attorney General Slatery said. "I appreciate the hard work of our office, along with our colleagues in other states, to make certain all companies compete fairly and play by the same rules."

In June 2013, the states, along with the United States Department of Justice, tried the case against Apple. A month later, in July 2013, the United States District Court for the Southern District of New York ruled that Apple conspired with five major U.S. publishers – Penguin Group (USA), Inc. (now Penguin Random House); Holtzbrink 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 2015, the U.S. Court of Appeals for the Second Circuit affirmed that ruling. And in March 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 2014. The current distribution will consist of the \$400 million Apple payment and any remaining funds from the publisher settlements. The \$566 million total nationwide compensation to consumers is more than twice the estimated amount of actual damages.

Tennessee consumers account for approximately 2% of E-book purchases, and are expected to receive approximately \$8.5 million from this distribution, in addition to the nearly \$2.9 million already paid to Tennesseans. 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 books, the payment will be \$1.57.



Distribution of the consumer payments should begin June 21, 2016. Consumers who purchased E-books through Sony or Google will receive checks in the mail. Consumers 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). Consumers receiving account credits should expect to receive an email between June 21, 2016 and June 24, 2016, indicating that the credits are available in their accounts. Credits may be used to purchase anything sold by these retailers, not only E-books.

The 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.