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**Contact: Cara Smith**  
**312-814-3118**  
**877-844-5461 (TTY)**  
**[csmith@atg.state.il.us](mailto:csmith@atg.state.il.us)**  
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**MADIGAN, 39 OTHER STATES ENTER INTO ASSURANCE OF  
VOLUNTARY COMPLIANCE WITH SONY BMG ON COMPACT  
DISCS CONTAINING DIGITAL RIGHTS MANAGEMENT**

Chicago - Attorney General Lisa Madigan today announced that Illinois, 38 other states, and the District of Columbia have entered into an agreement with Sony BMG to change the company's conduct regarding the use of digital rights management software on compact discs.

In December 2005, after security concerns were raised, Sony BMG Music Entertainment recalled and stopped manufacturing compact discs containing anti-copying software. Consumers can obtain a list of the affected discs from Sony BMG's website at [www.sonybmgcdtechsettlement.com](http://www.sonybmgcdtechsettlement.com).

One version of this anti-copying software, called XCP, was designed to hide or "cloak" a number of the program's files and operations so that consumers could not remove the anti-copying software from their computers. If consumers tried to remove the XCP software from their computers manually, their CD rom drives could have been disabled.

Cloaking of files also creates a security concern, namely, that it could enable hackers to hide spyware, viruses and other undesirable programs on consumers' computers.

Sony BMG also used another type of anti-copying software, called MediaMax, which downloaded onto consumers' computers automatically, before consumers had an opportunity to accept or reject the software installation.

Under the terms of the settlement, Sony BMG has entered into an Assurance of Voluntary Compliance through which it agrees to limit the future use of any anti-copying software. The Assurance specifically bars Sony BMG from manufacturing any compact disc containing any anti-copying software in a way that is meant to hide the software from the consumer. Sony BMG also agreed to clearly disclose, both on the outside packaging of a compact disc and prior to installation of any software, that consumers must install anti-copying software on their computers to be able to listen to the compact disc.

Furthermore, Sony BMG assured the states that, when a consumer listens to a Sony BMG compact disc on a computer, Sony BMG does not collect any personally identifying information, via an internet connection, about the consumer. Under the Assurance, if Sony BMG later decides to collect any

such information, it must first obtain the consumer's express consent to collect it.

As part of this settlement, Sony BMG also agreed (1) to reimburse consumers between \$25 and \$175 if they can establish, within the next six months, that their computers were damaged during their attempts to remove the XCP software and (2) to make a \$4.25 million payment to the States.

A form to request refunds will be available shortly on the Sony BMG website. <http://www.sonybmg.com>.

When the form becomes available, consumers also will be able to obtain it from the Attorney General's Office by calling 1-800-243-0618 (TTY 1-877-844-5461), or online at [www.illinoisattorneygeneral.gov](http://www.illinoisattorneygeneral.gov).

Sony BMG also has agreed to extend some terms of its settlement of a private class action suit filed in 2005. Specifically, in the private class action settlement, Sony BMG agreed to provide instructions on its website, [www.sonybmgcdtechsettlement.com](http://www.sonybmgcdtechsettlement.com), for removing both XCP and MediaMax software from consumers' computers, and to provide a compact disc refund and exchange program for consumers who bought compact discs containing XCP or MediaMax software. The refund and exchange program is being extended through June 30, 2007. Consumers can exchange compact discs containing XCP software for either (1) a cash payment of \$7.50 plus the right to download one compact disc from a specified list of compact discs; or (2) the right to download three compact discs from a specified list of compact discs.

Consumers can exchange compact discs containing MediaMax 5.0 software can exchange their discs for the right to download MP3 versions of the music contained on the disc and the right to download one compact disc from a specified list of compact discs.

Consumers with MediaMax 3.0 compact discs can exchange their discs for the right to download MP3 versions of the music contained on the disc.

Illinois' share of the \$4.25 million, which is \$316,000, must be used for further enforcement of the state consumer protection laws.

Madigan was joined in this settlement by the Attorneys General of Alabama, Alaska, Arkansas, Arizona, Connecticut, Delaware, District of Columbia, Florida, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Bureau Chief Elizabeth Blackston and Assistant Attorney General Philip Heimlich handled the case for Madigan's Consumer Protection Division.