

[Press Releases](#)**March 25, 2014****MADIGAN: E-BOOK CUSTOMERS TO RECEIVE PRICE-FIXING SETTLEMENT PAYMENTS**

Chicago — Attorney General Lisa Madigan announced that Illinois e-book customers will begin receiving payments this week from settlements with five publishers in the alleged e-books price-fixing conspiracy. Madigan joined 32 other attorneys general in suing five of the six largest publishers and Apple for allegedly conspiring to drive up the price of e-books beginning in 2010 when Apple unveiled its first e-book reader, the iPad. The publishers—Hachette Book Group Inc., HarperCollins Publishers LLC, Simon & Schuster Inc., Holtzbrinck Publishers, LLC, d/b/a Macmillan, and Penguin Group (USA) Inc.—settled and agreed to pay a total of \$166 million nationwide. Illinois residents will receive over \$6.4 million.

“This scheme to fix prices caused consumers to spend millions more on e-books than they otherwise would have paid,” Madigan said. “This settlement will help compensate customers and send a clear signal that we will enforce the antitrust laws to ensure fair competition.”

Payments will be sent to 23 million customers of major e-book retailers, including Amazon, Barnes & Noble, Kobo, Apple, Sony and Google. Most customers will receive a credit to their e-book accounts without having to file a claim or provide proof of purchase. A small percentage of eligible customers, including those who purchased from Sony, Google, or a small retailer or who elected to receive a check, will receive check payments. The amounts received depend on the number and types of e-books purchased between April 1, 2010, to May 21, 2012, the period of time the alleged price fixing occurred.

Eligible consumers should review their email for communications from their e-book retailer, or from the Settlement Administrator, regarding account credits or checks. For more information on the settlements, e-book customers should visit www.ebookagsettlements.com.

In July 2013, the U.S. District Court for the Southern District of New York found Apple Inc. liable for violating the antitrust laws by conspiring with five of the largest U.S. book publishers to fix the prices of e-books. The court’s opinion explained that Apple coordinated with the publishers to drive up the price of e-books above Amazon’s \$9.99 price point beginning in 2010 when Apple began selling the iPad. According to the opinion, Apple “played a central role” because it “promised each Publisher Defendant that it was getting identical terms” from Apple and that Apple “would only move forward if a critical mass of the major publishing houses agreed to its agency terms.” Because of Apple, the publishers were able to act in concert to raise market prices to \$12.99 or higher for e-book offerings. A second trial is scheduled for later this year to determine the amount of damages that Apple must pay. After that trial, additional account credits or checks may be distributed to Illinois e-book consumers.

Bureau Chief Robert Pratt and Assistant Attorney General Chadwick Brooker have handled these cases for Attorney General Madigan’s Antitrust Bureau.

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