Feb. 8, 2013

## Hagens Berman Joins U.S. Department of Justice, 33 State Attorneys General, and Macmillan Publishers in Settlement of E-books Price-fixing Cases

**SEATTLE** – Hagens Berman Sobol Shapiro, a consumer-rights law firm today announced that the firm, along with 33 state Attorneys General and the U.S. Department of Justice (DOJ), have reached a proposed settlement with Macmillan over allegations of e-book price-fixing.

The settlement resolves claims filed by the DOJ, numerous state governments, and a class-action suit brought by Hagens Berman on behalf of a nationwide class of consumers.

The lawsuits alleged that Macmillan participated in a conspiracy to fix the price of e-books by coordinating with several of the nation's largest publishers, including HarperCollins Publishers, a subsidiary of News Corporation (NASDAQ: NWSA), Hachette Book Group, Penguin Group Inc., a subsidiary of Pearson PLC (NYSE: PSO), Simon & Schuster Inc., a subsidiary of CBS (NYSE: CBS), and Apple, Inc. (NASDAQ: AAPL) to suddenly switch to an agency model for selling e-books. Hagens Berman's complaint estimated that the scheme may have increased the prices of many e-books by as much as 50 percent by eliminating the ability of retailers to offer discounts.

"We were extraordinarily pleased that we could work alongside so many talented and dedicated attorneys general and the DOJ to present a unified front in dealing with Macmillan," said Steve Berman, managing partner of Hagens Berman and lead counsel for the proposed class of consumers. "We look forward to moving the consumer class-action litigation forward against the remaining defendants, Penguin and Apple."

Macmillan was the last of five defendant publishers to settle claims brought by the DOJ. In that case, Apple is the only remaining defendant, with a trial scheduled for June, 2013. In the consumer class-action case, Penguin and Apple have not agreed to a settlement.

Under the terms of the proposed settlement, Macmillan would create a settlement fund totaling \$20 million from which claims to consumers who purchased e-books would be paid. In addition, the publisher has agreed to lift restrictions on discounting for e-books and will not be allowed to enter into new agreements restricting prices until December 2014.

The settlement must be approved by the court before funds can be distributed.

"This is a big win for consumers and is a testament to the hard work of the Justice Department and state attorneys-general, all of who devoted significant resources to this case," said Berman. "We look forward to presenting the settlement to the court and getting funds distributed to consumers who were wronged by Macmillan's alleged anticompetitive behavior."

You can learn more about this case by visiting www.hbsslaw.com/ebooks.

About Hagens Berman

Seattle-based Hagens Berman Sobol Shapiro LLP represents consumers, whistleblowers, investors, workers and others in complex and class-action litigation. The firm has offices in ten cities and has been named to the National Law Journal's Plaintiffs' Hot List five times. Founded in 1993, HBSS continues to successfully fight for consumer rights in large, complex litigation against large corporations. More about the law firm and its successes can be found at <u>www.hbsslaw.com</u>. Visit the firm's class-action law blog at <u>www.classactionlawtoday.com</u>.

Media Contact: Mark Firmani, Firmani + Associates Inc., 206.443.9357 or mark@firmani.com