AG Schmidt: Kansas E-book purchasers to receive $3.8 million from Apple price-fixing case

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TOPEKA — (June 20, 2016) – Kansas consumers who purchased electronic books (e-books) are expected to receive approximately $3.8 million from a legal settlement from a price-fixing case against Apple, Inc., Kansas Attorney General Derek Schmidt said today.

Kansas is part of a group of 33 states to investigate and sue Apple for its participation in a conspiracy with publishers to artificially inflate e-book prices to the detriment of consumers. The states prevailed in federal district court in New York and in the United States Court of Appeals for the Second Circuit. When the U.S. Supreme Court in March declined to hear Apple's further appeal, the current settlement became final.

In 2012 and 2013, Kansas and the other states reached settlements with five major e-book publishers – Hachette Book Group Inc., HarperCollins Publishers LLC, Simon & Schuster Inc., Holtzbrinck Publishers, LLC, d/b/a Macmillan, and Penguin Group (USA) Inc. Kansas consumers received approximately $1.4 million in March of 2014 as a result of those settlements. The settlement with Apple resolves the remaining price fixing claims brought against the group of companies by Schmidt and the other attorneys general.

"The distribution of these refunds brings to a close the long legal battle over e-book price fixing," Schmidt said. "These competitors together conspired to push the price of e-books higher than the market rate. While each consumer may have seen only a small price increase, altogether these companies collected millions of dollars by artificially inflating the price."

Distribution of the consumer payments should begin on June 21. The amount any individual consumer will receive depends on how many qualifying books the consumer bought. Customers 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. Because of the large number of consumers affected, it will take a few days to fully load account credits, and some consumers may not see credits in their accounts until June 24. Credits can be used to purchase anything sold by these retailers, not only e-books.