National Agreements with Major Publishing Houses Yield Nearly $13 Million for Texas E-book Customers

AUSTIN – Texas residents will begin receiving account credits or checks this week as a result of settlements with five of the nation’s largest publishers of electronic books (E-books). The restitution payments stem from an investigation by 33 state attorneys general into the publishers’ conspiring with Apple, Inc. to fix E-book prices.

Under national agreements negotiated by Texas and Connecticut and joined by the attorneys general of 31 other states and territories, the publishers agreed to compensate customers who overpaid for E-books in order to settle the states’ allegation that the major publishing houses conspired with Apple to artificially inflate E-book prices. The five publishers settled the states’ claims for a total nationwide payment of $166 million – of which approximately $12.7 million will be distributed to Texas E-book purchasers, who comprise nearly eight percent of E-book purchasers nationwide.

Distribution process for Texas E-book purchasers

Texas E-book purchasers will receive an account credit or check based on the number of eligible E-books the customer purchased during the claims period (April 1, 2010 to May 21, 2012). Whether a customer receives a credit or check depends on the retailer through which the E-book was purchased and, in certain circumstances, on whether a claim was properly filed or on whether a customer specifically requested a check. Eligible customers 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, Texas E-book purchasers may visit www.ebookagsettlements.com [http://www.ebookagsettlements.com].

Participating publishers

- Hachette Book Group Inc.
- HarperCollins Publishers LLC
- Simon & Schuster Inc.
- Holtzbrinck Publishers, LLC, d/b/a Macmillan
- Penguin Group (USA) Inc.

The states’ antitrust enforcement action against Apple based on the same allegations remains pending. After Apple declined to settle the states’ allegations against it, the U.S. District Court for the Southern District of New York conducted a three-week trial in June 2013. Following the trial, U.S. District Judge Denise Cote found that Apple “played a central role in facilitating and executing” a conspiracy to eliminate retail price competition in order to raise E-book prices, in violation of federal and state antitrust laws. A second trial on damages is scheduled to take place later this year. If successful, additional account credits or checks will be distributed to eligible Texas E-book customers in the future.