MAJOR PUBLISHERS TO PAY $69 MILLION FOR FIXING PRICES FOR E-BOOKS, AG SAYS

Release date: 8/30/2012

NC consumers to reap nearly $2 million in refunds from settlement

Raleigh: Three of the largest book publishers in the United States will repay consumers a total of $69 million to resolve allegations that the publishers unlawfully conspired to fix the prices of electronic books, Attorney General Roy Cooper announced Thursday.

Under the settlement with North Carolina and 53 other states and territories, Hachette Book Group (USA), HarperCollins Publishers L.L.C. and Simon & Schuster Inc. will also change the way they price e-books going forward and pay approximately $7.5 million to the states for fees and costs.

“Conspiring to fix prices prevents honest competition and keeps consumers from getting a fair deal,” Cooper said. “We’re sending a strong message that artificially raising and setting prices is bad for business, bad for consumers, and against the law.”

The settlement stems from a two-year antitrust investigation conducted jointly by the Attorneys General and U.S. Department of Justice’s Antitrust Division. That investigation developed evidence that the publishers conspired to end e-book retailers’ freedom to compete on price. As a result, consumers paid millions of dollars more for their e-books than they should have.

Under the proposed settlement agreement, which awaits court approval, Hachette, HarperCollins and Simon & Schuster will repay consumers who purchased e-books from any of the involved publishers from April 1, 2010 through May 21, 2012. Consumers in North Carolina are expected to receive approximately $1.9 million of their money back.

Eligible consumers will get an automatic credit directly to the account they used to purchase e-books, or they can choose to file a claim online to receive their refund by check. Payments will begin 30 days after the court approval of the settlement becomes final. Additional information about the refund process will be available online after the settlement is approved.

In addition to paying $69 million to consumers, Hachette, HarperCollins and Simon & Schuster will end their existing agency agreements with certain retailers, giving retailers—such as Amazon and Barnes & Noble—the freedom to reduce the prices of e-books. For two years the settling publishers will be prohibited from making any new agreements that limit retailers’ ability to offer discounts or other promotions for e-books. They are also barred from further conspiring or sharing sensitive information with their competitors and from agreeing to any clause that could undermine the effectiveness of the settlement agreement.