Missouri Attorney General

Attorney General's News Release

August 30, 2012

Attorney General Koster enters into $76.5 million settlement with three major U.S. publishers over e-book price-fixing allegations

Jefferson City, Mo. – Attorney General Chris Koster announced today that he and 54 attorneys general in other states and U.S. territories have resolved allegations that three of the largest book publishers in the United States illegally conspired to raise the prices of electronic books. Under the agreement, Hachette Book Group, Inc., HarperCollins Publishers LLC, and Simon & Schuster Inc., have agreed to pay more than $69 million to consumers to resolve the allegations.

Missouri consumers are expected to receive up to $1.1 million in total compensation.

“Our legal action sends a strong message that companies cannot get away with price-fixing,” Koster said. “These publishers’ behavior cost consumers millions of dollars, but today’s settlement begins to compensate those consumers.”

Under the proposed settlement announced today, which a district court in New York must approve, Hachette, HarperCollins and Simon & Schuster will pay $69 million to compensate consumers who purchased e-books between April 1, 2010, and May 21, 2012, and approximately $7.5 million to the states for fees and costs.

Consumers eligible to receive compensation will receive notice after preliminary approval of the settlement. Those consumers can file claims, but most will not need to submit anything because they will receive automatic credits to their e-book accounts if they are customers of Amazon, Barnes & Noble, Apple or Kobo. After preliminary approval, consumers will also have the option to opt out of the settlement or opt for a check.

The settling publishers have also agreed to terminate existing retailer contracts so that retailers, such as Amazon and Barnes & Noble, can freely set e-book prices. The publishers also agreed not to enter into new contracts that constrain retailers’ ability to discount e-books for two years.