A.G. SCHNEIDERMAN ANNOUNCES $553 MILLION SETTLEMENT WITH ELECTRONICS MANUFACTURERS IN PRICE FIXING CASE

Multistate Anti-Trust Investigation Finds Tech Corporations Artificially Inflated Prices For LCD Screens Used In TVs, Computer Monitors & Laptops

Schneiderman Recovers Upwards Of $11M For New York Consumers And Taxpayers

NEW YORK – Attorney General Eric T. Schneiderman today announced a $553 million multi-state settlement with seven major technology corporations alleged to have illegally conspired to artificially inflate prices for liquid crystal display (LCD) screens used in televisions, computer monitors, and laptops. New York State taxpayers may receive upwards of $11 million, in addition to restitution to compensate consumers affected by the scheme.

The corporations — Chi Mei Innolux Corporation, Chungwha Picture Tubes Ltd., Epson Imaging Devices Corporation, HannStar Display Corporation, Hitachi Displays, Ltd., and Samsung Electronics Co., Ltd., Sharp Corporation, and certain affiliated entities of each corporation — agreed to pay over $538 million to settle antitrust claims brought on behalf of consumers, government entities, and other public entities by a multistate group of eight Attorneys General and private class action attorneys. Separately, five of the companies agreed to pay over $14 million to settle civil fine and penalty law claims brought by the States in their law enforcement capacities. The corporations also agreed to engage in antitrust compliance programs and to cooperate with the States' ongoing prosecution of other industry participants.

"This price-fixing scheme manipulated the playing field for businesses that abide by the rules, and left consumers to pay artificially higher costs for televisions, computers and other electronics,” said Attorney General Schneiderman. "Protecting the integrity of the marketplace is the only way to ensure the best outcome for New York's consumers. That is why my office will aggressively police anti-competitive practices and hold accountable those who violate the law."

According to New York's complaint, Japanese, Korean, and Taiwanese manufacturers of thin film transistor (TFT) LCD panels, together with their U.S. affiliates, engineered a conspiracy to fix prices of TFT-LCD panels, and sold into New York millions of TFT-LCD panels at prices fixed by the cartel. TFT-LCD screens are essential components of televisions, computer monitors, and laptop screens. The vast majority of TFT-LCD products sold in New York was sold at high prices illegally fixed by the conspiracy.

Under the agreements, the companies will pay up to $37 million to compensate government and other public entities for damages resulting from the purchase of TFT-LCD panels. Up to $501 million will be available for partial refunds to compensate consumers residing in 24 states and the District of Columbia who purchased products containing TFT-LCD panels during the period beginning January 1, 1999 and continuing through December 31, 2006. Notice of how to file for partial refunds will be provided to the public at a later date.

New York's lawsuit was filed in State Supreme Court in New York County, moved to the Southern District of New York, and transferred to the Northern District of California for pretrial proceedings. Attorney General Schneiderman continues to pursue his lawsuit against three other corporations charged with participating in the cartel.

The agreements were handled for New York by Assistant Attorneys General Richard L. Schwartz and Amy McFarlane of the Antitrust Bureau, with oversight by Executive Deputy Attorney General Karla G. Sanchez.