

**PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

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**ATTORNEY GENERAL JOINS MULTISTATE E-BOOK PRICE FIXING LAWSUIT  
AGAINST PUBLISHING COMPANIES AND APPLE**

DENVER — Colorado Attorney General John Suthers announced today that his office has joined a multistate lawsuit against publishers, Penguin Group (USA) Inc.; Macmillan Holdings, LLC; Simon & Schuster, Inc.; Simon & Schuster Digital Sales, Inc.; as well as Apple, Inc., on suspicion that they engaged in price fixing and other anticompetitive practices in the market for electronic books.

The antitrust lawsuit, filed in the U.S. District Court for the Western District of Texas, stems from a two-year investigation, led by the Texas Office of the Attorney General and coordinated with the offices of the Connecticut Attorney General and the U.S. Justice Department, into allegations that the defendants conspired to raise e-book prices. For years, retailers sold e-books through a traditional wholesale distribution model, under which retailers — not publishers — set e-books' sales prices. However, the investigation revealed that the publishers conspired with Apple and other publishers to artificially raise prices by imposing a distribution model in which the publishers set the prices for bestsellers at \$12.99 and \$14.99.

When Apple prepared to enter the e-book market, the publishers and Apple agreed to adopt an agency distribution model as a mechanism to allow them to fix prices. To enforce their price-fixing scheme, the publishers and Apple relied on contract terms that forced all e-book outlets to sell their products at the same price. Because the publishers agreed to use the same prices, retail price competition was eliminated. According to the lawsuit, the coordinated agreement to fix prices resulted in e-book customers paying more than \$100 million in overcharges.

The antitrust lawsuit, filed by attorneys general from 15 states and Puerto Rico, seeks injunctive relief to reverse the effects of the defendants' anticompetitive conduct as well as damages for customers who paid artificially inflated prices for e-books.

In addition to the lawsuit against Apple and the publishers, the multistate group has reached an agreement in principle with two other publishers, Hachette Book Group and HarperCollins Publishers. They have agreed to provide significant consumer restitution and injunctive relief.