

Attorney General Bill McCollum News Release

June 24, 2010

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Attorney General Announces \$173 Million Multistate Settlement With Computer Chip Manufacturers

TALLAHASSEE, FL - Attorney General Bill McCollum today announced that a settlement has been reached in a long-standing antitrust case currently pending in federal and state courts throughout the United States. The settlement resolves allegations related to a nationwide conspiracy to fix the price of dynamic random access memory (DRAM) chips between 1998 and 2002. Florida, with three other states, has led the investigation since 2004 and was one of the lead states in the settlement negotiations.

Defendants involved in the settlement announced today include Infineon Technologies AG and Infineon Technologies North America Corp.; Elpida Memory, Inc. and Elpida Memory (USA) Inc.; NEC Electronics America, Inc., presently known as Renesas Electronics America Inc.; Mosel Vitelic Corp. and Mosel Vitelic, Inc.; Micron Technology, Inc. and Micron Semiconductor Products, Inc.; and Hynix Semiconductor Inc. and Hynix Semiconductor America Inc. The agreement, which must be approved by the federal district court in California, calls for the payment of \$173 million by the settling companies over two years. The timing and amounts of any monetary distribution to the states will be dependent upon the court's findings once the settlement is filed with the court.

The settlement also provides for injunctive relief similar to previous settlements reached with Samsung Semiconductor, Inc.; Samsung Electronics Company, Ltd; Winbond Electronics Corporation and Winbond Electronics Corporation America. The sum of all multistate settlements reached in this case now total over \$290 million, which may be the largest settlement ever of an indirect purchaser antitrust case in the United States.

In July 2006, Florida and 33 other states sued several foreign and domestic firms that manufacture DRAM chips as a result of their roles in the same price-fixing scheme. The complaint alleged that the companies were able to charge higher than competitive prices for DRAM chips as a result of the scheme, artificially restrained supply, allocated the production and markets for the chips among themselves and rigged bids for DRAM chip contracts. The lawsuit sought millions of dollars in damages to private citizens and governmental agencies that purchased DRAM chips and equipment that contained the chips. Computer manufacturers affected by the DRAM price-fixing conspiracy include Apple Computer, Inc., Compaq Computer Corp., Dell, Inc., Gateway, Inc., Hewlett-Packard Co., and IBM. Florida consumers and Florida public entities that purchased computers also absorbed these overcharges.

The multistate lawsuit originated from an investigation that began in 2004, following a

federal criminal probe that exposed a scheme where DRAM manufacturers profited at the expense of the consumers in the computer and electronics industry. As part of the federal court case, Samsung, Hynix, Infineon, Elpida and numerous individual employees pled guilty to federal criminal price-fixing charges and paid more than \$730 million in fines.