



News Release

Attorney General Robert E. Cooper, Jr.

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CONTACT: Sharon Curtis-Flair (AG)
(615) 741-5860

Tennessee Attorney General Announces \$173 Million Multistate Agreement with Worldwide Computer Chip Manufacturers for Alleged Price-Fixing

Attorney General Bob Cooper, along with 32 state attorneys general, today announced a \$173 million agreement with six world-wide manufacturers of computer chips, resolving alleged price-fixing in products it sold to consumers.

Dynamic Random Access Memory computer chips (DRAM) is a common form of memory chip found in desktop computers, laptops, servers, printers and networking equipment such as routers and hubs. DRAM sales to major electronics manufacturers, including Dell, IBM and Hewlett-Packard, exceed \$5 billion a year.

“These companies agreed to raise prices on computer equipment sold to consumers,” Attorney General Cooper said. “This Office is committed to stopping any kind of activity which causes Tennesseans to pay higher prices than necessary.”

In July 2006, the multistate group filed a complaint in federal district court in San Francisco alleging that consumers overpaid for products containing DRAM chips at inflated prices.

The DRAM manufacturers named in the lawsuit include the American companies Micron Technology, Inc. and NEC Electronics America, Inc., as well as foreign companies Infineon Technologies A.G. in Germany; Hynix Semiconductor, Inc. in South Korea; Elpida Memory Inc. in Japan; Mosel-Vitelec Corp. in Taiwan; and their American subsidiaries.

The multistate investigation revealed that from 1998 to 2002, the companies held numerous meetings among their salespeople and upper management in which they exchanged confidential information and agreed to quote inflated prices on DRAM to their customers. During that time period, the companies sold at least \$20 billion in DRAM chips in the United States.

As part of the agreement to resolve the multistate lawsuit and lawsuits by private plaintiffs, the defendants have agreed to pay \$173 million over two years, plus interest, to all of the parties. The exact shares per state are still being calculated. The agreement also requires the companies to refrain from illegal price-fixing and to conduct employee-compliance training.

Approximately \$115 million of the funds will go to consumers and businesses. An estimated \$14 million of the funds will go to state and local governments, school districts and colleges and universities. The remaining funds will reimburse litigation expenses and costs.