

For Immediate Release

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**COURT URGED TO SLASH ATTORNEYS' FEES
IN COMPACT DISC ANTITRUST CLASS ACTION CASE
(*In re: CD Minimum Advertised Price Antitrust Litigation*)**

The Washington Legal Foundation (WLF) filed formal objections in the United States District Court of Maine to a proposed settlement of a nationwide class action case where the attorneys are seeking \$12.5 million in fees. The underlying lawsuits, which were filed across the country and consolidated in the federal court in Maine, sought antitrust damages against the distributors of music compact discs (CDs) and certain retailers for engaging in a Minimum Advertised Price (MAP) program that had the effect of maintaining higher retail prices of CDs.

In the proposed settlement, consumers who purchased CDs between 1995 and 2000 could each receive up to a maximum of \$20 for having been overcharged for the CDs; however, the amount refunded will decrease as more consumers file claims to the \$67 million settlement fund. If the number of consumers making claims result in a per capita award of \$5.00 or less, then the entire amount of the fund will be distributed to schools, libraries, and other non-profit organizations. In addition, the defendants are providing 5.5 million CDs which will also be distributed to those organizations.

WLF argued on behalf of a group of class members that the award of \$12.5 million in fees is grossly excessive due to the fact that the Federal Trade Commission (FTC) and the State Attorneys' General had already investigated the matter thoroughly. The FTC entered in a consent agreement with the distributors on May 10, 2000. That very day, the first of 51 so-called "piggyback" lawsuits were filed by class action attorneys hoping to cash in by forcing the defendants to settle, and thereby reap windfall attorneys' fees. In short, the work done by the private lawyers was minimal.

"This case is a perfect example of how private plaintiffs' attorneys abuse the class action system to reap windfall fees at the expense of class members," said Paul Kamenar, WLF's Senior Executive Counsel. WLF filed the objections as part of its Investor Protection Program (IPP) which includes opposing certain class actions and the award of fees which often hurt consumers and shareholders of the targeted companies.

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