

**UNITED STATES DISTRICT COURT**  
**DISTRICT OF MAINE**

**IN RE COMPACT DISC MINIMUM  
ADVERTISED PRICE ANTITRUST  
LITIGATION**

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**CIVIL No. 00-1361-P-H**

**[MDL NO. 1361]**

[INCLUDING *Trowbridge, et al. v. Sony Music  
Entm't, Inc., et al.*, No. 2:01-cv-125-H]

Retail purchasers of music CDs, along with State Attorneys General, sued music CD retailers and distributors. They claimed that the retailers and distributors conspired over advertising policies in order to inflate CD retail prices illegally. The retailers and distributors denied wrongdoing. Eventually, all parties entered into a settlement agreement consisting of \$67.375 million cash plus 5.6 million CDs to be distributed to the States, and injunctive relief. United States District Judge D. Brock Hornby approved the settlement and awarded attorney fees on July 9, 2003. Checks for \$13.86 were mailed to music purchasers who filed valid claims, and the CDs were distributed to libraries and other organizations.

Because some claimants did not cash their checks and some checks were returned as undeliverable, approximately \$5.5 million remained in the settlement fund. In addition, approximately 93,000 CDs remained in the settlement administrator's warehouse. On January 24, 2007, Judge Hornby approved distribution of all the remaining CDs to the United Service Organizations (USO) and the payment of additional administration expenses. He also approved spending \$82,500 to locate new addresses for those claimants whose checks were returned as undeliverable and then to print and mail new checks. That tracing program concluded on April 22, 2007, after about 24,000 additional claimants received and cashed settlement checks. The funds remaining (approximately \$4.7 million) were distributed to the States to support music-related programs locally.

In a related suit, music club members claimed that music manufacturers and distributors conspired among themselves and with music clubs to support the

prices of music club CDs. The manufacturers, distributors and music clubs all denied wrongdoing. Nevertheless, the parties entered into a settlement agreement consisting of money to defray the costs of suit (including notice to the class members and attorney fees), plus transferable vouchers for 75% discounts, including free shipping and handling, on one, two or three CDs, depending on the number of CDs previously purchased. In addition, WKCR-FM received approximately \$115,000, and the National Guild of Community Schools of the Arts (“Guild”) received \$161,300. With those funds, WKCR-FM, a radio station at Columbia University in New York, has created “Studio D,” which is dedicated to preserving digitally and broadcasting publicly rare American music. Since it received the award in 2005, WKCR has purchased equipment to outfit the studio and has completed archival transfers of multiple music recordings. WKCR is working with various musicians and musicians’ estates to reach an agreement that will authorize the station to disseminate the recordings through its website. The Guild, a non-profit organization based in New York, is developing an Online Resource Center to assist community schools of the arts nationwide, most of which offer musical education. The core content of the Online Resource Center will be The Community Arts Education Toolkit. After conducting a needs assessment in 2006, the Guild worked with an advisory committee to determine the scope and content of the Toolkit. It expects to publish the entire document on its website by 2009. Both charities are required to file annual reports with the Court for three years. WKCR-FM filed its second report on September 28, 2007, and The National Guild filed its second report on January 10, 2008.

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