



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

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**Hawaii Attorney General Bennett Announces Lawsuit
Against Top DRAM Manufacturers**

HONOLULU-Attorney General Mark Bennett today announced that he and other attorneys general filed a multi-state lawsuit to prohibit the world's largest manufacturers of Dynamic Random Access Memory (DRAM) chips from manipulating prices and provide some monetary relief on behalf of state agencies that paid more for computers because of alleged price-fixing. DRAM is a widely used form of computer memory that is found in personal computers, servers and other electronic devices.

"For years, Hawaii state agencies paid more for computers as a result of a price-fixing conspiracy by companies that make memory chips that are a crucial component of many high-tech products," Attorney General Bennett said. "Our lawsuit seeks to prohibit manufacturers from manipulating prices in the future and to recoup some of the losses."

Hawaii and 33 other states filed the lawsuit on Friday morning in the U.S. District Court in San Francisco, seeking damages, restitution, civil penalties and injunctive relief for state agencies as well as consumers that paid higher prices for electronics from 1998 to 2002 as a result of alleged price-fixing by eight companies. The states' suit is the result of a coordinated, multi-state investigation that began in 2004, as well as a federal investigation that exposed a scheme where DRAM manufacturers profited at the expense of consumers.

The suit brings claims against Elpida, Hynix, Infineon, Micron, Mosel Vitelic, Nanya, and NEC. According to the states' complaint, the defendants violated federal and state antitrust laws by coordinating prices they charged for DRAM. The suit asks for a jury trial, an unspecified amount of damages and an injunction against future illegal conduct.

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In June 2002, the U.S. Department of Justice launched a criminal investigation into what officials have called "one of the largest cartels ever discovered." Micron agreed to cooperate with investigators in exchange for amnesty from federal criminal charges. Several defendants and twelve individuals have since pleaded guilty to criminal price-fixing and collectively paid more than \$730 million in fines.

The states' complaint lays out details of the conspiracy, including an agreement by industry leaders to trim production in order to artificially raise prices.

Worldwide sales of DRAM jumped from \$14 billion in 2001 to \$17 billion in 2003, with the U.S. accounting for a significant share of the market.

States participating in the lawsuit include Alaska, Arizona, Arkansas, California, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin.

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