

LEGAL NOTICE BY ORDER OF THE COURT
A court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF SETTLEMENT
TO INDIVIDUALS AND SOLE PROPRIETORS IN CALIFORNIA

IF YOU PURCHASED PRODUCTS CONTAINING CATHODE RAY TUBES, SUCH AS COMPUTER MONITORS OR TELEVISIONS, BETWEEN MARCH 1, 1995 AND NOVEMBER 25, 2007, THE SETTLEMENTS DESCRIBED BELOW APPLY TO YOU.

PURPOSE OF THIS NOTICE

This notice is given under California Business and Professions Code 16760(c), and by Court Order dated June 12, 2013 and modified on July 13, 2013, from San Francisco County Superior Court (“the Court”).

This Notice is about two settlements obtained by the Attorney General of the State of California in the following lawsuit: *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786. This lawsuit concerns a conspiracy to fix, raise, maintain, and/or stabilize the prices of cathode ray tubes (“CRTs”). The conspiracy allegedly resulted in overcharges to individuals residing in California who bought products containing CRTs, such as computer monitors and televisions. The lawsuit names two defendants: (1) Chunghwa Picture Tubes Ltd. (“Chunghwa”) and (2) the Philips Electronics North American Corporation (“Philips”). Settlements have now been reached with both Defendants. The terms of these settlements are summarized below. Before the settlement funds can be distributed, The State must also obtain the Court’s final approval of these settlements. The Court scheduled a hearing to determine whether to grant final approval. This hearing is open to the public. The hearing location, date, and time are provided below. If final approval is granted, then the Settlement Fund will be distributed in the form of technology-related grants to charity organizations as well as local and state government entities. The Settlement Fund will not be paid directly to any individual.

The purpose of this notice is to inform you of your legal rights and options under these settlements. Please read this notice carefully.

THE LAWSUIT AND THE SETTLEMENTS

1. What is this lawsuit about?

The California Attorney General investigated a global price-fixing conspiracy involving CRTs. As a result, she filed this lawsuit against Chunghwa and Philips for violating the California Cartwright Act, the Unfair Competition Act, and for unjust enrichment. The Attorney General also filed a lawsuit against Chunghwa and Philips’s alleged co-conspirators. That lawsuit is called *The State of California, et al. v. Samsung SDI Ltd., Co., et al.*, San Francisco Superior Court Case No. CGC-11-515784. This notice focuses only on the lawsuit against Chunghwa and Philips.

This is a civil action. The Complaint against Chunghwa and Philips specifically claims that between March 1, 1995 and November 25, 2007, Chunghwa and Philips conspired with other companies to fix, raise, maintain, and/or stabilize the prices of CRTs, and as a result, California individuals who bought products containing CRTs, such as computer monitors and televisions, suffered overcharges. Defendants Chunghwa and Philips deny these allegations. The Court has not decided who is right.

2. What are the Attorney General's powers in this lawsuit?

As the chief law enforcer of the State of California, the Attorney General has broad powers to enforce the laws enacted by the State of California. The Cartwright Act specifically grants the Attorney General the power to bring a civil action such as this lawsuit, as *parens patriae* on behalf of individuals residing in the State of California, to recover monetary damages they have suffered from violations of the Act. In addition, the Attorney General may bring an enforcement action to obtain an injunction requiring the wrongdoer to immediately stop the wrongdoing. And the Attorney General also may bring a law enforcement action under a theory of unjust enrichment or under the Unfair Competition Law to disgorge ill-gotten gains.

This lawsuit seeks to recover monetary relief for California individuals and government entities harmed by the global price-fixing conspiracy involving CRTs, to disgorge wrongdoers of their ill-gotten gains, to restore competition and to prevent future wrongdoing. It was not brought on behalf of corporations and partnerships.

3. Whose rights are affected by this lawsuit?

Money damages are sought by the Attorney General for the following groups of CRT purchasers: (a) individuals residing in the State of California, including unincorporated sole proprietors doing business in their own name; (b) the State of California; (c) the State Bar of California; (d) the University of California; and (e) the City and County of San Francisco, individually and on behalf of all non-federal local government entities who purchased products containing CRTs. This notice applies only to group (a). The rights of corporations and partnerships are not part of and are not affected by the Attorney General action.

4. Is this the only lawsuit against Chunghwa and Philips for alleged price-fixing of CRTs?

No, it is not. Chunghwa, Philips and several other CRT manufacturers also have been named as defendants in other lawsuits concerning the same alleged price-fixing conspiracy. These other lawsuits currently are combined into a single proceeding called *In re: Cathode Ray Tube (CRT) Antitrust Litigation* (2007), Case No. 3:07-MDL-1917, currently pending in the United States District Court for the Northern District of California ("the federal lawsuit"). One of these federal lawsuits is based on a complaint filed by several California residents who "indirectly" bought CRTs when they purchased products that contained CRTs, such as televisions or computer monitors. They are called the Indirect Purchaser Plaintiffs ("IPPs"). The IPPs in the federal lawsuit are asking the Court to name them as the official representatives of all California residents who indirectly bought CRTs. The IPPs will then try to recover damages on behalf of all such California residents. This could include you. A Special Master has recommended to the federal court that the court should certify a class of California residents. The federal court has not yet decided whether the IPPs can represent all California residents or not. If the federal court adopts the recommendation, you will be included in this class of California residents without any further action on your part. This may result in payment of monies to you if the California IPPs prevail on their claims. There has been no decision on whether any of the defendants in the federal lawsuit will have to pay damages.

Like The State in this lawsuit, the IPPs have already agreed to a settlement with Chunghwa and Chunghwa has been dismissed from the IPPs' federal lawsuit. Any right you might have to receive compensation from the IPPs' settlement with Chunghwa will not be affected by The State's settlement with Chunghwa in this lawsuit. For more information on the IPPs' settlement with Chunghwa and any rights you may have in that settlement, please visit www.crtsettlement.com.

Philips has not settled the federal lawsuit brought by the IPPs. As stated above, Philips' settlement with The State in this case includes a release of all claims brought by the Attorney General on your behalf relating to CRTs. It is possible that The State's release of claims on your behalf could impact your rights in the federal lawsuit. It could limit your ability to recover damages in the federal lawsuit with respect to some or all of the claims asserted in this lawsuit. It also could limit the IPPs' ability to recover damages in the federal lawsuit on your behalf. That means that if you do not exclude yourself from this settlement, you may not be able to bring a claim under California law in the federal lawsuit, and the IPPs may not be able to bring a claim under California law on your behalf in the federal lawsuit.

It is not yet certain whether the settlement by The State in this case will limit your rights, or the IPPs' rights, in the federal lawsuit. It also is not certain whether Philips will be held liable for damages in the federal lawsuit. These are legal questions that will be resolved in the future but

cannot be answered today. If you have any questions regarding the federal lawsuit or the potential for this settlement to limit your ability to participate in the federal lawsuit, you should consult with a lawyer.

5. What do The State's Settlements with Chunghwa and Philips provide?

The State has obtained two separate settlements in this lawsuit – one from Chunghwa and the other from Philips (the “Settlements”). Below is a summary of the Settlements:

- (a) **Ongoing Cooperation:** Both Chunghwa and Philips agree to cooperate with the California Attorney General in her ongoing investigation into the global CRT price-fixing conspiracy. The State believes that this cooperation will be valuable in the ongoing prosecution of its case against other defendants alleged to have participated in the price fixing conspiracy.
- (b) **Injunction:** Chunghwa is prohibited for ten years from engaging in price fixing, market allocation, and/or bid rigging relating to the sale of any CRTs or CRT products for delivery into the United States. Philips is prohibited for three years from engaging in price fixing, market allocation, and/or bid rigging related to CRTs that are incorporated into monitors or other display screens incorporated in monitors.
- (c) **Antitrust Compliance:** Chunghwa agrees to maintain an antitrust compliance program to educate their officers and employees responsible for pricing and sales of CRT about United States federal and state antitrust laws. Philips agrees to certify that it has an antitrust compliance program and if one does not already exist, Philips must establish one but cannot sell CRTs within three years of establishing such a program.
- (d) **Monetary Benefit:** Chunghwa agrees to pay \$300,000 in monetary damages while Philips agrees to pay \$500,000 in monetary damages (collectively “Settlement Fund”). Before this Settlement Fund can be distributed, the Settlements must be approved by the Court at or after the hearing described in Section 7 below. The cost to administer the Settlements, attorneys’ fees, costs, expenses, and awards to groups (b)-(d), as described in Section 3 above, are paid from the Settlement Fund. The Attorney General will request attorneys’ fees not to exceed 10% of the Settlement Fund.

6. What is *Cy Pres* Distribution of the Settlement Fund?

Because so many individuals in California may have been injured by the alleged wrongdoing, it would be impossible to distribute the Settlement Fund in a fair manner to every affected individual. When it is difficult for all affected to receive individual shares of the recovery, the legal doctrine known as *cy pres* allows the courts to approve the distribution of the Settlement Fund to support public or non-profit activities to address the injury alleged in a lawsuit instead of distributing funds directly to individuals. For this lawsuit, the Attorney General has set up a fund to distribute the settlements in a manner that would promote justice for all Californians. Monies from these settlements will not be paid directly to any individual. Rather, they will be distributed in the form of technology-related grants to charity organizations as well as local and state government entities.

7. When and where is the court hearing concerning final approval of the Settlements?

The Court will hold a hearing to determine whether to approve the Settlements. The legal term for this type of hearing is “**Fairness Hearing.**” It will be held on **October 18, 2013**, beginning at **9:30 a.m.** before Judge Richard A. Kramer at 400 McAllister Street, San Francisco, CA 94102, in Department 303. The hearing may be adjourned or continued without further notice.

YOUR LEGAL RIGHTS AND OPTIONS

1. What are my legal rights and how are they affected by the Settlements?

If you are an individual residing in California and you purchased a product containing CRTs between March 1, 1995 and November 25, 2007, you may have the right to sue Chunghwa or Philips for violating the Cartwright Act, for violating the Unfair Competition Act, and/or for unjust enrichment. You may do this by filing your own lawsuit, by being a part of this lawsuit, or by being a part of other pending lawsuits against Chunghwa and/or Philips, such as the federal lawsuit described above.

The State's Settlement with Chunghwa may limit your right to sue Chunghwa for the alleged price fixing conspiracy in CRTs under the Cartwright Act, or to be part of other similar lawsuits against Chunghwa, unless you exclude yourself from The State's Settlement. Chunghwa's settlement with The State in this case includes a release of all claims brought by the Attorney General on your behalf relating to CRTs. However, the federal court in the IPP action has already approved a settlement with respect to Chunghwa that released claims of indirect purchasers of CRT products, including in California. If you are a member of that class, any claim you have against Chunghwa already may have been settled, unless you opted out of that settlement. See www.crtsettlement.com.

The State's Settlement with Philips may limit your right to sue Philips for the alleged price fixing conspiracy in CRTs under the Cartwright Act, or to be part of other similar lawsuits against Philips, unless you exclude yourself from The State's Settlement. In particular, The State's Settlement with Philips may eliminate your right to be a part of the IPPs' federal lawsuit against Philips, or to bring your own claim in federal court, unless you exclude yourself from The State's Settlement. Specifically, if the IPPs are approved as representatives of all California indirect purchasers, you may lose the right to obtain monetary relief in the federal IPP lawsuit unless you exclude yourself from The State's Settlement. However, you will not lose any claims that you may have against other defendants in the federal lawsuit or to participate in any recovery that IPPs may gain on your behalf from those other defendants.

The Chunghwa and Philips Settlements contain additional terms that may affect your rights.

2. With respect to my legal claims, what are my options?

- **Do Nothing**: If you want to participate in this lawsuit – by being a part of the group of individuals represented by the Attorney General as *parens patriae* under the Cartwright Act, no further action on your part is required. By doing nothing, you agree to be represented by the California Attorney General as *parens patriae* in this lawsuit. You also agree to the terms of Settlements with Chunghwa and Philips and, as such, you may lose the right to sue these companies on your own or be a part of any other pending lawsuits against these companies for the same conduct alleged in this lawsuit. If you do nothing, this also may affect your rights in the federal lawsuit insofar as Philips is concerned if class action status is granted to the IPPs.
- **Exclude Yourself from these Settlements**: You have the right to exclude yourself from the group of individuals represented by the Attorney General as *parens patriae* under the Cartwright Act. By excluding yourself from this group, you will not be legally bound by The State's Settlements, and you will retain your right, if any, to sue Chunghwa and/or Philips on your own or be part of any pending lawsuits, including the federal lawsuit, against Philips for the same conduct alleged in this lawsuit. But you will not be entitled to any benefit from the Settlements. To be excluded from the Settlements, you must complete the "Exclusion Form" accompanying this Notice and follow all stated instructions on that form.
- **Object, Request to Intervene, or Request to Appear at Fairness Hearing**: You also have the right to object to the Settlements, plan of distribution, attorneys' fees and costs, and awards to the other groups; to request to intervene in this lawsuit; and/or to request to appear at the Fairness Hearing described in Section 7 above. But if you exclude yourself from this lawsuit by completing the "Exclusion Form" described above, you may not object, request to intervene or request to appear at the Fairness Hearing. To object, request to intervene, and/or request to appear, you must complete the "Objection Form" accompanying this Notice and follow all instructions stated on that form.

We will file your Exclusion and Objection Forms with the Court and give copies to Defendants.

EXCLUSION FORM

I hereby assert my right to be excluded from *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786.

Print Name:

Address Line 1:

Address Line 2:

Signature:

Date:

OBJECTION FORM

Check the appropriate box or boxes below:

I assert my right to object to the Settlement with **CHUNGHWA** in *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786.

I assert my right to object to the Settlement with **PHILIPS** in *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786.

I assert my right to request to intervene in *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786.

I assert my right to request to appear at the Fairness Hearing in *The State of California, et al. v. Chunghwa Picture Tubes, et al.*, San Francisco Superior Court Case No. CGC-11-515786.

Print Name:

Address Line 1:

Address Line 2:

Signature:

Date:

******For your request(s) above to be effective, you MUST provide your name and address AND sign and date the form. Your completed form MUST be postmarked by September 8, 2013, and MUST be mailed to the following address:**

**Emilio E. Varanini
Deputy Attorney General
Office of the Attorney General of the State of California
455 Golden Gate Avenue, Suite 11000
San Francisco, CA 94102**

Failure to follow these instructions will make your request(s) ineffective.