



October 6, 2005

COURT APPROVES CLASS ACTION SETTLEMENT AGAINST APPLE COMPUTER

(In Re iPod Cases)

The Superior Court of California in San Mateo County approved an attorneys' fee award of \$2.7 million in a consumer class action lawsuit filed against Apple Computer on behalf of purchasers of Apple's iPod Digital Music Player. The court did, however, reduce the fee to counsel for one of the plaintiffs because the work was duplicative of lead counsel. The final order approving the attorneys' fee request was issued last week following the approval of the settlement which provides class members with a \$25 check or a coupon worth \$50 in store credit for those who file claims by September 30, 2005.

On behalf of an objector who owns an iPod and is a class member, WLF had filed formal objections to the fee and class member incentive payments of \$1,500 each in early September. In particular, WLF objected to the briefing schedule which unfairly requires class members to file their objections to the settlement and proposed multi-million dollar fee request well before the plaintiffs' lawyers are required to file their motions justifying the settlement and fee request.

WLF also urged the court not to "rubber stamp" the settlement but to carefully scrutinize any fee application to ensure that the plaintiffs' attorneys are not receiving a windfall, particularly where, as here, Apple Computer agreed not to oppose the fee request, and thus, deprived the court of an adversarial proceeding on the issue. WLF also argued that no fees should be paid until *after* all claims have been filed so the court can determine the value of the benefits to be distributed. The court subsequently ordered further documentation before approving the attorneys' fees, and reduced the fee of one of the attorneys.

As part of its Legal Reform Project and Investor Protection Program, WLF has regularly opposed requests for attorneys' fees in class action cases on behalf of objectors where consumers appear to receive little in the way of a remedy and plaintiffs' attorneys receive millions in excessive fees.

* * *

For information, contact Paul Kamenar, WLF Senior Executive Counsel at 202-588-0302. WLF's objections are posted on its website at www.wlf.org.