

For Immediate Release

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WLF OPPOSES MILLION DOLLAR FEE IN CLASS ACTION WHERE CLASS RECEIVES NOTHING

(In re: Magazine Antitrust Litigation)

The Washington Legal Foundation (WLF) filed its initial objections on behalf of itself and several consumers to the proposed award of \$1.1 million in attorney's fees in a class action case where the class members will receive no compensation. WLF argued that the requested fees are excessive in comparison to the relief obtained on behalf of the class members. WLF also reserved the right to file supplemental objections once the attorneys file more detailed pleadings justifying their fee request.

This class action lawsuit was filed in October 2000 in the U.S. District Court for the Southern District of New York against the Magazine Publishers of America (MPA) and fourteen magazine publishing companies alleging that there was an agreement among the defendants since 1996 to set a minimum price of or maximum discount on magazine subscriptions through the enactment of MPA guideline. That guideline had the effect of limiting discounts to magazine subscriptions such as *TV Guide* and *Sports Illustrated* to no more than 50 percent of the magazine's list price. The Complaint sought declaratory, injunctive, and treble damages for violations of Section 1 of the Sherman Act.

In June 2002, class counsel and counsel for the defendants agreed to a Stipulation of Settlement whereby the defendants did not admit liability, but agreed to eliminate the guideline. In addition, the defendants agreed to pay up to \$1.1 million in attorney's fees and expenses to class counsel. However, class members, who were allegedly overcharged for their magazine subscriptions, are to receive no compensation.

WLF argued in its brief that the \$1.1 million attorney fee request should be rejected inasmuch as the class members receive no compensation, not even coupons or vouchers that might be redeemed for one or more magazines. "This is yet another outrageous example of greedy class action attorneys seeking million dollar fees at the expense of consumers who receive nothing," said Paul Kamenar, WLF's Senior Executive Counsel. "Moreover, the attorneys structured the briefing schedule so that objections to the fees were required to be filed *before* the attorneys filed their formal fee request," Kamenar added. In its papers, WLF demanded that the final hearing in the case be postponed to give consumers an additional opportunity to file supplemental objections.

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