



U.S. Department of Justice

United States Attorney
Southern District of New York

33 Whitehall Street, 8th Floor
New York, New York 10004

February 14, 2003

BY MAIL

Karen D. Syr, Esq.
General Counsel
Nuclear Regulatory Commission
1 White Flint North, Stop 15D21
Washington, DC 20555

Re: In Re Magazine Antitrust Litigation
00 Civ. 4889 (RCC) (RLE) (S.D.N.Y.)

Dear Ms. Syr:

We are enclosing a copy of the Notice Of Proposed Nationwide Class Action Settlement in the above-captioned litigation. Defendants Magazine Publishers of America ("MPA"), a consumer magazine trade association, and fourteen magazine publishing companies (the "Publisher Defendants"), have agreed to settle charges that the Publisher Defendants and MPA agreed to set the minimum price of or maximum discount on magazine subscriptions through the enactment of MPA Guideline 4(a) and/or the collective action among publishers to adhere to the ABC's 50% rule or the similar Rule of the BPA International pertaining to its definition of "paid circulation."

The proposed settlement does not provide for the payment of money or other compensation to the class members. Rather, Defendants have agreed to do two things: (1) the MPA shall delete in its entirety Guideline 4(a); and (2) the Defendants shall defray the costs incurred in connection with the Action, including the costs of the Notice program, which provides for the notification of class members of the terms and conditions of the proposed settlement, and the Plaintiffs' actual attorneys' fees and expenses awarded by the Court up to \$1.1 million. Upon approval of the settlement, the Court will enter a judgment dismissing the Action with prejudice, and the named Plaintiffs and all class members who have not duly opted-out of the class will be deemed to be subject

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Karen D. Syr, Esq.
February 14, 2003
Page 2

to the releases in this case. If your agency purchased a subscription to any of the publications at issue from July 1, 1996 through April 15, 2002, it may be eligible to submit a claim. A list of the magazine subscriptions can be found at www.magazine.org.

The deadline for submitting claims in this case is May 5, 2003, and the opt-out date is also May 5, 2003. This case has been assigned to Assistant United States Attorney Heather McShain, at telephone number (718) 422-1761 or (212) 637-2696. We request that your Office review the notice, and contact AUSA McShain prior to May 5, 2003 regarding your agency's recommendation as to whether to opt out of the settlement class in this case.

Very truly yours,

JAMES B. COMEY
United States Attorney

By:



WENDY H. SCHWARTZ
ACTING CHIEF, CIVIL DIVISION

Enclosure

cc: J. Christopher Kohn, Esq. (BY MAIL)
Director
Commercial Litigation Branch
Civil Division
United States Department of Justice
P.O. Box 875
Ben Franklin Station
Washington, D.C. 20044-0875

**If you purchased
a subscription to this or
another magazine, the
following proposed class action
settlement may affect your rights**

This notice describes a proposed nationwide settlement of class action lawsuits relating to magazine subscriptions that has been reached in In Re Magazine Antitrust Litigation, 00 Civ. 4889 (S.D.N.Y.) (the "Action"), and preliminarily approved by the U.S. District Court for the Southern District of New York (the "Court").

PLEASE NOTE THAT THE PROPOSED SETTLEMENT DOES NOT PROVIDE FOR THE PAYMENT OF MONEY OR OTHER COMPENSATION TO THE CLASS MEMBERS BUT INSTEAD SOLELY ADDRESSES CERTAIN INDUSTRY RULES AND PRACTICES THAT WERE DIRECTLY CHALLENGED IN THE ACTION AS BEING UNLAWFUL (SEE "THE CLAIMS IN THE LAWSUIT" SECTION BELOW).

This announcement is intended to give class members notice under Rule 23 of the Federal Rules of Civil Procedure and the Order of the Court dated September 20, 2002, as modified on September 30, 2002, that a hearing will be held before the Hon. Richard Conway Casey on May 27, 2003 at 11:00 a.m. to determine whether: (a) to certify the proposed settlement class under Rule 23; (b) the proposed settlement of the Action is fair, reasonable and adequate; (c) a final judgment should be entered dismissing the Action with prejudice to the class members; and (d) to approve class counsels' application for attorneys' fees and expenses. The rest of this notice summarizes the terms of the proposed settlement. You can obtain a copy of the settlement agreement, the Consolidated Amended Class Action Complaint (the "Complaint"), and a list of the magazine subscriptions at issue in the Action, at www.magazine.org or by writing to The Garden

City Group, Inc., the Administrator of the Notice Program, at Magazine Antitrust Litigation, P.O. Box 9000 # 6041, Merrick, NY 11566-9000 (the "Administrator"). ANY QUESTIONS AND COMMUNICATIONS REGARDING THIS NOTICE OR THE SETTLEMENT SHOULD BE DIRECTED TO THE ADMINISTRATOR AT THE ADDRESS LISTED ABOVE OR BY CALLING 1-888-210-0118. PLEASE DO NOT CONTACT THE ADMINISTRATOR WITH QUESTIONS REGARDING YOUR CURRENT SUBSCRIPTIONS UNLESS THOSE QUESTIONS RELATE TO THE CLASS ACTION SETTLEMENT.

DO NOT CONTACT THE COURT, COUNSEL TO THE PARTIES, [NAME OF THE PUBLICATION] OR ANY PUBLISHER REGARDING THIS NOTICE. THE ADMINISTRATOR, WHERE APPROPRIATE, WILL REFER ANY QUESTIONS TO THE APPROPRIATE PERSON.

The Claims in the Lawsuit

The Complaint was filed in this Action in or about October 2000, against the Magazine Publishers of America ("MPA"), a consumer magazine trade association, and fourteen magazine publishing companies (the "Publisher Defendants"). The Complaint alleged an agreement among the Publisher Defendants and the MPA to set the minimum price of or maximum discount on magazine subscriptions through the enactment of MPA Guideline 4(a) and/or the collective action among publishers to adhere to the ABC's 50% Rule (as referred to in ¶45 of the Complaint) or the similar Rule of the BPA International pertaining to its definition of "paid circulation." The Complaint asked the Court to eliminate or modify Guideline 4(a) and

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to award damages that allegedly were suffered by consumers who purchased subscriptions to the Publisher Defendants' magazines.

The defendants have denied the material allegations of the Complaint. The parties have now agreed to settle the Action in its entirety. On September 20, 2002, the Court preliminarily approved the settlement.

Terms of the Proposed Settlement

In the proposed settlement, the defendants have agreed to do two things: (i) the MPA shall delete in its entirety MPA Guideline 4(a); and (ii) the defendants shall defray the costs incurred in connection with the Action, including the costs of the Notice program involving notifying class members of the terms and conditions of the proposed settlement and the Plaintiffs' actual attorneys' fees and expenses awarded by the Court up to \$1.1 million.

In exchange, the Plaintiffs have agreed that, if the settlement is approved, the Court will enter a judgment dismissing the Action with prejudice, and the named Plaintiffs and all class members who have not duly opted-out of the class will be deemed to be subject to the release in this case, which provides as follows: "As of the date on which the Agreement is Finally Approved, the Publisher Defendants and the MPA . . . shall be completely released, acquitted, and forever discharged, from any and all claims, demands, actions, suits, causes of action, injuries or damages, whether class, individual or otherwise in nature, that Plaintiffs, the Class Members or each of them, in his or her capacity as a subscriber to a magazine, ever had or now has, in law or equity, under federal or state law, relating to an agreement to set the minimum price of or maximum discount on magazine subscriptions through the enactment of MPA Guideline 4(a) and/or the collective action among publishers to adhere to the ABC's 50% Rule (as referred to in ¶45 of the Amended Complaint) or the similar Rule of the BPA International pertaining to its definition of 'paid circulation.'"

The release also releases class action claims that were previously brought (but subsequently dismissed without prejudice) by a plaintiff in the State Court in San Diego, California, who asserted similar allegations

against the defendants albeit based on violations of California state laws. The California action was styled *Coossan v Hearst Corp., et. al.*, No. GIC 752985. A copy of the Coossan Complaint can be obtained at www.magazine.org.

Who are the Publisher Defendants?

The Publisher Defendants are: Condé Nast Publications, Inc.; Gruner + Jahr Printing and Publishing Company; Hachette Filipacchi Media U.S., Inc. (*f/k/a* Hachette Filipacchi Magazines, Inc.), The Hearst Corporation; International Data Group, Inc.; Meredith Corporation; Newsweek, Inc.; Primedia, Inc.; Reader's Digest Association, Inc.; Rodale Inc.; Time Inc.; Time4Media, Inc. (*f/k/a* Times Mirror Magazines, Inc.); TV Guide, Inc. and Ziff-Davis Publishing, Inc.

Who is in the Class?

Class Members are those persons who purchased a subscription to this publication or to other publications that were published by any of the Publisher Defendants during the period from and including July 1, 1996 up to and including April 15, 2002 (the "Class"). For purposes of determining inclusion in the Class, it does not matter whether you purchased your subscription from one of the Publisher Defendants, or through agents, subagents or other third party marketers. You are not, however, a member of the Class if you did not purchase a magazine subscription within the time period stated above, or if you purchased your magazines only at newsstands.

Your Right to Object to the Proposed Settlement

You have the right to appear, in person or by counsel, at the hearing on the proposed settlement in order to comment on, or object to, the terms of the proposed settlement, its adequacy or reasonableness and/or the award of attorneys' fees and expenses to class counsel. However, you will only be heard at that time if you first, by May 5, 2003, (a) file with the Court a notice of your intention to appear, which includes the basis for your objection, a statement identifying the magazines to which you subscribed, and the approximate time period of each such subscription; and (b) serve copies of

the notice (and all other papers you intend to rely upon) by hand or first class mail on Plaintiffs' co-lead counsel, Bruce E. Gorstein, Esq., Garwin, Bronzaf, Gerstein, & Fisher, LLP, 1501 Broadway, Suite 1416, New York, NY 10036 and H. Laddie Montague, Jr., Esq., Berger & Montague, 1622 Locust Street, Philadelphia, PA 19103, and on Defendants' coordinating counsel, Lawrence I. Fox, Esq. at McDermott, Will & Emery, 50 Rockefeller Plaza, 11th Floor, New York, New York 10020.

**Your Right to Opt-Out
of the Settlement**

ALTHOUGH YOU HAVE THE RIGHT TO APPEAR AT THE HEARING, YOU HAVE NO OBLIGATION TO DO SO. If you do not wish to participate in or be bound by the proposed settlement, you can exclude yourself (i.e., "opt-out") To opt out, you MUST send a request for exclusion in an envelope POSTMARKED NO LATER THAN May 5, 2003 to the Administrator of the Notice Program Magazine Antitrust Litigation, P.O. Box 9000 # 6041, Merrick, NY 11566-9000. The request for exclusion must state your full name, the magazine(s) to which you subscribed and the approximate time period of each subscription, and the address to which your magazines were sent. IF YOU DO NOT EXCLUDE YOURSELF, you will be barred from prosecuting any legal action against the MPA or its members and the Publisher Defendants to the full extent of the release set forth in the "Terms of the Proposed Settlement" section above.

Examination of Papers and Inquiries

For a more detailed statement of the matters involved in the Action, including the Complaint, the settlement agreement, motion papers and certain orders of the Court, you may visit the office of the Clerk of the United States District Court, 500 Pearl Street, New York, New York, during business hours. Copies of the papers relating to the settlement are also available at www.magazine.org.