

Minnesota Schools Receive More Than \$59 Million to Purchase New Computer Hardware and Software

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Richard Hagstrom of Zelle Hofmann Voelbel & Mason LLP and Daniel Hume of Kirby McInerney, co-lead counsel for the plaintiffs in the Minnesota Microsoft antitrust lawsuit, announced today that Minnesota's public and charter schools will receive an additional \$4.4 million in vouchers to be used to purchase new computer hardware and software. These vouchers are in addition to the more than \$55 million in vouchers received by Minnesota's public and charter schools in 2006. The money is part of a \$182 million settlement in a class action suit against Microsoft Corporation alleging that Microsoft overcharged Minnesota consumers and businesses for certain of its products.

Under terms of the 2004 court-approved settlement, any consumer or business that purchased certain Microsoft software for use in Minnesota during the Class Period was eligible to receive "consumer vouchers" for varying dollar amounts to purchase new computer hardware or software. More than 100,000 Minnesota consumers and businesses claimed more than \$64 million of the available settlement. "This is an example of how consumers benefit from class actions," explained attorney Hagstrom.

One-half of the value of the unclaimed consumer vouchers, more than \$55 million, was made available in 2006 to the Department of Education and the public and charter schools it serves. More than 2,100 public and charter schools received vouchers, varying in dollar amounts from several hundred dollars to \$6.3 million. One-hundred percent of the unredeemed consumer vouchers, approximately \$4.4 million, is now being made available to the Department of Education and the public and charter schools it serves. "We are pleased to have been able to negotiate this award to the Minnesota Department of Education as part of the settlement. Because state and federal funding for technology in Minnesota's public and charter schools has declined significantly in recent years, this settlement program represents a major opportunity for Minnesota public and charter schools to better equip our students with the basic technology and computing skills necessary for them to compete in the global economy," added Hagstrom.

The voucher amount available to each public or charter school is based upon its percentage of the state's total free and reduced price lunch eligible students. Vouchers can be redeemed for over 2,000 eligible products from numerous companies, not just from Microsoft. "Schools will have until January 27, 2012 to redeem their vouchers. It is our hope that these vouchers will enhance technology in our classrooms for years to come," explained attorney Hume.

In addition, the settlement provided a \$2.5 million cash payment and \$2.5 million in vouchers to the University of Minnesota for the creation of the Consortium for Bioinformatics and Computational Biology. Under the settlement, Microsoft provided \$2.5 million in cash to the Minnesota Legal Aid Society on February 11, 2005.

Case background:

Gordon v. Microsoft is a Minnesota state court class action brought by consumers, small businesses, and other indirect purchasers of Microsoft software products. Plaintiffs alleged that from May 18, 1994 through March 17, 2003, Microsoft engaged in illegal monopolization and other anticompetitive conduct in the markets for operating systems, word processing, spreadsheets, and office suite software. Plaintiffs argued that Microsoft charged higher prices than it would have charged had it not engaged in the anticompetitive conduct. Plaintiffs sought damages for their injuries. Trial began in February 2004 and the parties entered into a settlement agreement after seven weeks of trial.