



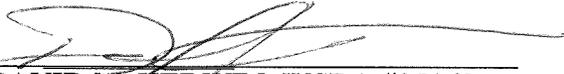
1 If you wish to seek the advice of an attorney in this matter, you should do so promptly  
2 so that your written response, if any, may be served on time.

3 This summons is issued pursuant to rule 4 of the Superior Court Civil Rules of the  
4 state of Washington.

5  
6  
7 DATED this 2<sup>nd</sup> day of May, 2012.

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**STATE OF WASHINGTON  
KING COUNTY SUPERIOR COURT**

THE STATE OF WASHINGTON,  
  
Plaintiff,

v.

LG ELECTRONICS, INC.; LG  
ELECTRONICS U.S.A., INC.; KONINKLIJKE  
PHILIPS ELECTRONICS N.V. A/K/A  
ROYAL PHILIPS ELECTRONICS N.V.;  
PHILIPS ELECTRONICS NORTH AMERICA  
CORPORATION; PHILIPS ELECTRONICS  
INDUSTRIES (TAIWAN), LTD.; SAMSUNG  
SDI CO., LTD. F/K/A SAMSUNG DISPLAY  
DEVICE CO., LTD.; SAMSUNG SDI  
AMERICA, INC.; SAMSUNG SDI MEXICO  
S.A. DE C.V.; SAMSUNG SDI BRASIL  
LTDA.; SHENZHEN SAMSUNG SDI CO.,  
LTD.; TIANJIN SAMSUNG SDI CO., LTD.;  
SAMSUNG SDI (MALAYSIA) SDN. BHD.;  
TOSHIBA CORPORATION; TOSHIBA  
AMERICA ELECTRONIC COMPONENTS,  
INC.; MT PICTURE DISPLAY CO., LTD.;  
PANASONIC CORPORATION F/K/A  
MATSUSHITA ELECTRIC INDUSTRIAL  
CO., LTD.; PANASONIC CORPORATION OF  
NORTH AMERICA; HITACHI, LTD.;  
HITACHI DISPLAYS, LTD.; HITACHI  
ELECTRONIC DEVICES (USA), INC.;  
HITACHI ASIA, LTD.; CHUNGHWA  
PICTURE TUBES LTD.; CPTF OPTRONICS  
CO., LTD.; CHUNGHWA PICTURE TUBES  
(MALAYSIA) SDN. BHD.,

Defendants.

NO. 12-2-15842-8 SEA

COMPLAINT FOR  
INJUNCTION, DAMAGES,  
RESTITUTION, CIVIL  
PENALTIES AND OTHER  
RELIEF UNDER THE  
WASHINGTON STATE  
CONSUMER PROTECTION  
ACT, RCW 19.86

DEMAND FOR JURY TRIAL

1 Plaintiff, State of Washington, through its Attorney General, brings this action on  
2 behalf of itself and as *parens patriae* on behalf of persons residing in the State, against LG  
3 Electronics, Inc., LG Electronics U.S.A., Inc., Koninklijke Philips electronics N.V. *a/k/a*  
4 Royal Philips Electronics N.V., Philips Electronics North America Corporation, Philips  
5 Electronics Industries (Taiwan), Ltd., Samsung SDI Co., Ltd. *f/k/a* Samsung Display Device  
6 Co., Ltd., Samsung SDI America, Inc., Samsung SDI Mexico S.A. de C.V., Samsung SDI  
7 Brasil Ltda., Shenzhen Samsung SDI Co., Ltd., Tianjin Samsung SDI Co., Ltd., Samsung  
8 SDI (Malaysia) Sdn. Bhd., Toshiba Corporation, Toshiba America Electronic Components,  
9 Inc., MT Picture Display Co., Ltd., Panasonic Corporation *f/k/a* Matsushita Electric  
10 Industrial Co., Ltd., Panasonic Corporation of North America, Hitachi, Ltd., Hitachi  
11 Displays, Ltd., Hitachi Electronic Devices (USA), Inc., Hitachi Asia, Ltd., Chunghwa Picture  
12 Tubes Ltd., CPTF Optronics Co., Ltd., and Chunghwa Picture Tubes (Malaysia) Sdn. Bhd.,  
13 to recover damages, restitution, civil penalties, costs and fees, and injunctive relief. The state  
14 of Washington demands trial by jury of all issues stated herein.

## 15 I. NATURE OF THE CASE

16 1. This action alleges that defendants engaged in violations of state antitrust law  
17 prohibiting anticompetitive conduct from at least March 1, 1995, through at least November  
18 25, 2007 (the “Conspiracy Period”). Defendants’ actions included, but were not limited to,  
19 conspiring to suppress and eliminate competition by agreeing to raise prices and agreeing on  
20 production levels in the market for cathode ray tubes, commonly referred to as CRTs.

21 2. The state of Washington, through its Attorney General, brings this action on  
22 behalf of itself and as *parens patriae* on behalf of persons residing in the State pursuant to  
23 RCW 19.86, the Consumer Protection Act.

24 3. Defendants’ conspiracy affected billions of dollars in United States commerce  
25 and damaged a large number of Washington State agencies and residents.  
26

1 **II. JURISDICTION AND VENUE**

2 4. This action alleges violations of the Consumer Protection Act (“CPA”), RCW  
3 19.86. Jurisdiction exists pursuant to RCW 19.86.160.

4 5. Venue is proper in King County because the Plaintiff resides therein; a  
5 significant portion of the acts giving rise to this action occurred in King County; the  
6 Defendants’ and their co-conspirators’ activities were intended to, and did have, a substantial  
7 and foreseeable effect on Washington State trade and commerce; the conspiracy affected the  
8 price of CRTs and CRT Products purchased in Washington; and all Defendants knew or  
9 expected that products containing their CRTs would be sold in the U.S. and into Washington.

10 **III. DEFINITIONS**

11 6. As used herein,

12 a. “CRT” or “CRTs” means cathode ray tube(s). A CRT is a display  
13 technology used in televisions, computer monitors, and other specialized applications. A CRT  
14 is a vacuum tube that is coded on the inside face with light sensitive phosphors. An electron  
15 gun at the end of the vacuum tube emits electron beams. When the electron beams strike the  
16 phosphors, the phosphors produce either red, green, or blue light. A system of magnetic fields  
17 inside the CRT, as well as voltage variations, directs the beams to produce the desired colors.  
18 This process is rapidly repeated several times per second to produce the desired images.

19 b. “CDT” or “Color Display Tubes” means a type of CRT which is used in  
20 computer monitors and other specialized applications.

21 c. “CPT” or “Color Picture Tubes” means a type of CRT which is used in  
22 televisions.

23 d. Color Display Tubes and Color Picture Tubes are collectively referred to  
24 herein as “cathode ray tubes” or “CRTs.”

25 e. “CRT Products” means CRTs and products containing CRTs, such as  
26 televisions and computer monitors.

1 f. "OEM" means an Original Equipment Manufacturer of CRT products.

2 g. "Resident" and "Person" mean any individual, partnership, corporation,  
3 association, or other business or legal entity as defined in Wash. Rev. Code 19.86.010(1).

4 h. "Conspiracy Period" means the period beginning March 1, 1995 through  
5 at least November 25, 2007.

#### 6 IV. THE PARTIES

##### 7 A. Plaintiff

8 7. The Plaintiff is the State of Washington on its own behalf and as *parens*  
9 *patriae* on behalf of Residents of the State during the Conspiracy Period, by and through its  
10 Attorney General.

11 8. The state of Washington has a quasi-sovereign interest in maintaining the  
12 integrity of markets operating within its boundaries, protecting its citizens from  
13 anticompetitive and unlawful practices and supporting the general welfare of its Residents  
14 and its economy.

15 9. The Washington Attorney General is charged with representing the citizens of  
16 the State as *parens patriae* and is the only authorized legal representative of its state  
17 agencies.

##### 18 B. Defendants

19 10. Defendant LG Electronics, Inc. ("LGE") is a corporation organized under the  
20 laws of the Republic of Korea with its principal place of business located at LG Twin  
21 Towers, 20 Yeouido-dong, Yeoungdeungpo-gue, Seoul 150-721, South Korea. The  
22 company's name was changed from GoldStar to LG Electronics, Inc. in 1995. LGE acquired  
23 Zenith, a US corporation, in 1995. In 2001, LGE's CRT business became part of a joint  
24 venture with Defendant Royal Philips, forming LG Philips Displays. During the Conspiracy  
25 Period, LGE manufactured, marketed, sold and/or distributed CRT Products, directly or  
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1 indirectly through its subsidiaries or affiliates, to customers throughout the United States and  
2 Washington.

3           11. Defendant LG Electronics U.S.A., Inc. ("LGEUSA") is a Delaware  
4 corporation with its principal place of business located at 1000 Sylvan Avenue, Englewood  
5 Cliffs, NJ 07632. LGEUSA is a wholly-owned and controlled subsidiary of Defendant LGE.  
6 During the Conspiracy Period, LGEUSA manufactured, marketed, sold and/or distributed  
7 CRT Products, directly or indirectly through its subsidiaries or affiliates, to customers  
8 throughout the United States and Washington. LGEUSA has registered with the Washington  
9 State Secretary of State for purposes of doing business in Washington and does have a  
10 registered agent in Washington State.

11           12. Defendants LGE and LGEUSA are collectively referred to herein as "LG."

12           13. Defendant Koninklijke Philips Electronics N.V. *a/k/a* Royal Philips Electronics  
13 N.V. ("Royal Philips") is a Dutch company with its principal place of business located at  
14 Amstelplein 2, Breitner Center, 1070 MX, Amsterdam, The Netherlands. In 2001 Royal  
15 Philips transferred its CRT business to a joint venture with Defendant LG Electronics, Inc.  
16 During the Conspiracy Period, Royal Philips manufactured, marketed, sold and/or distributed  
17 CRT Products, directly or indirectly through its subsidiaries or affiliates, to customers  
18 throughout the United States and Washington.

19           14. Defendant Philips Electronics North America Corporation ("PENAC") is a  
20 Delaware corporation with its principal place of business located at 3000 Minuteman Road,  
21 Andover, MA 01810. PENAC is a wholly-owned and controlled subsidiary of Philips Holding  
22 USA, Inc., which directly and indirectly is a wholly owned subsidiary of Defendant Royal  
23 Philips. During the Class Period, PENAC manufactured, marketed, sold and/or distributed  
24 CRT Products, directly or indirectly through its subsidiaries or affiliates, to customers  
25 throughout the United States and Washington. PENAC has registered with the Washington  
26

1 State Secretary of State for purposes of doing business in Washington and does have a  
2 registered agent in Washington State.

3 15. Defendant Philips Electronics Industries (Taiwan), Ltd. ("Philips Taiwan") is a  
4 Taiwanese company with its principal place of business located at 15F 3-1 Yuanqu St.,  
5 Nangang District, Taipei, 115, Taiwan. Philips Taiwan is a subsidiary of Defendant Royal  
6 Philips. During the Conspiracy Period, Philips Taiwan manufactured, marketed, sold and/or  
7 distributed CRT Products, directly or indirectly through its subsidiaries or affiliates, to  
8 customers throughout the United States and Washington.

9 16. Defendants Royal Philips, PENAC, and Philips Taiwan are collectively referred  
10 to herein as "Philips."

11 17. Defendant Samsung SDI Co., Ltd. *f/k/a* Samsung Display Device Co., Ltd.  
12 ("Samsung SDI"), is a South Korean company with its principal place of business located at  
13 428-5 Gongse-dong Giheung-gu, Yongin-si Gyeonggi-do, South Korea 031-288-4114.  
14 Samsung SDI is a public company. During the Conspiracy Period Samsung SDI manufactured,  
15 marketed, sold and/or distributed CRT Products, directly or indirectly through its subsidiaries  
16 or affiliates, to customers throughout the United States and Washington.

17 18. Defendant Samsung SDI America, Inc. ("Samsung SDI America") is a  
18 California corporation with its principal place of business located at 3333 Michelson Drive,  
19 Suite 700, Irvine, California. Samsung SDI America is a wholly-owned and controlled  
20 subsidiary of Defendant Samsung SDI. During the Conspiracy Period, Samsung SDI America  
21 manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly  
22 through its subsidiaries or affiliates, to customers throughout the United States and  
23 Washington.

24 19. Defendant Samsung SDI Mexico S.A. de C.V. ("Samsung SDI Mexico") is a  
25 Mexican company with its principal place of business located at Blvd. Los Olivos No. 21014,  
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1 Parque Industrial El Florido, Tijuana, B.C. Samsung SDI Mexico is a wholly-owned and  
2 controlled subsidiary of Defendant Samsung SDI. During the Conspiracy Period, Samsung  
3 SDI Mexico manufactured, marketed, sold and/or distributed CRT Products, either directly or  
4 indirectly through its subsidiaries or affiliates, to customers throughout the United States and  
5 Washington.

6 20. Defendant Samsung SDI Brasil Ltda. (“Samsung SDI Brazil”) is a Brazilian  
7 company with its principal place of business located at Av. Eixo Norte Sul, S/N, Distrito  
8 Industrial, 69088-480 Manaus, Amazonas, Brazil. Samsung SDI Brazil is a wholly-owned and  
9 controlled subsidiary of Defendant Samsung SDI. During the Conspiracy Period, Samsung  
10 SDI Brazil manufactured, marketed, sold and/or distributed CRT Products, either directly or  
11 indirectly through its subsidiaries or affiliates, to customers throughout the United States and  
12 Washington.

13 21. Defendant Shenzhen Samsung SDI Co., Ltd. (“Samsung SDI Shenzhen”) is a  
14 Chinese company with its principal place of business located at Huanggang Bei Lu, Futuan Gu,  
15 Shenzhen, China. Samsung SDI Shenzhen is a wholly-owned and controlled subsidiary of  
16 Defendant Samsung SDI. During the Conspiracy Period, Samsung SDI Shenzhen  
17 manufactured, marketed, sold and/or distributed CRT Products, directly or indirectly through  
18 its subsidiaries or affiliates, to customers throughout the United States and Washington.

19 22. Defendant Tianjin Samsung SDI Co., Ltd. (“Samsung SDI Tianjin”) is a  
20 Chinese company with its principal place of business located at Developing Zone of Yi-Xian  
21 Park, Wuqing County, Tianjin, China. Samsung SDI Tianjin is a wholly-owned and controlled  
22 subsidiary of Defendant Samsung SDI. During the Conspiracy Period, Samsung SDI Tianjin  
23 manufactured, marketed, sold and/or distributed CRT Products, directly or indirectly through  
24 its subsidiaries or affiliates, to customers throughout the United States and Washington.  
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1           23. Defendant Samsung SDI (Malaysia) Sdn. Bhd. ("Samsung SDI Malaysia") is a  
2 Malaysian company with its principal place of business located at Lot 635 & 660, Kawasan  
3 Perindustrian, Tuanku, Jaafar, 71450 Sungai Gadut, Negeri Semblian Darul Khusus, Malaysia.  
4 Samsung SDI Malaysia is a wholly-owned and controlled subsidiary of Defendant Samsung  
5 SDI. During the Conspiracy Period, Samsung SDI Malaysia manufactured, marketed, sold  
6 and/or distributed CRT Products, directly or indirectly through its subsidiaries or affiliates, to  
7 customers throughout the United States and Washington.

8           24. Defendants Samsung SDI, Samsung SDI America, Samsung SDI Mexico, Samsung  
9 SDI Brazil, Samsung SDI Shenzhen, Samsung SDI Tianjin, and Samsung SDI Malaysia are referred to  
10 collectively herein as "Samsung."

11           25. Defendant Toshiba Corporation is a Japanese corporation with its principal  
12 place of business at 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan. In 2002,  
13 Toshiba Corporation entered into a joint venture with Defendant Panasonic Corporation called  
14 MT Picture Display Co. Ltd., in which the entities consolidated their CRT businesses. During  
15 the Conspiracy Period, Toshiba Corporation manufactured, marketed sold and/or distributed  
16 CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
17 throughout the United States and Washington. Toshiba Engineering Center, located in  
18 Kirkland, Washington is owned by Toshiba America Information Systems Inc., an  
19 independently operating company owned by Toshiba America Inc., a subsidiary of Toshiba  
20 Corporation.

21           26. Defendant Toshiba America Electronic Components, Inc. ("TAEC") is a  
22 California corporation with its principal place of business located at 9775 Toledo Way, Irvine,  
23 California 92618, and 19000 MacArthur Boulevard, Suite 400, Irvine, California 92612.  
24 TAEC is a wholly-owned and controlled subsidiary of Toshiba America, which is a holding  
25 company for Defendant Toshiba Corporation. During the Conspiracy Period, TAEC  
26

1 manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly  
2 through its subsidiaries or affiliates, to customers throughout the United States and  
3 Washington. During the Conspiracy Period, defendant Toshiba Corporation controlled the  
4 finances, policies, and affairs of TAEC. TAEC has registered with the Washington State  
5 Secretary of State for purposes of doing business in Washington and does have a registered  
6 agent in Washington State.

7 27. Defendants Toshiba Corporation and TAEC are referred to collectively herein  
8 as "Toshiba."

9 28. Defendant MT Picture Display Co., Ltd. ("MTPD") was established as a joint  
10 venture between Defendants Panasonic Corporation and Toshiba Corporation. MTPD is a  
11 Japanese entity with its principal place of business located at 1-1, Saiwai-cho, Takatsuki-shi,  
12 Osaka 569-1193, Japan. On April 3, 2007, Defendant Panasonic Corporation purchased all  
13 other shares of MTPD, making it a wholly-owned subsidiary, and renamed it MT Picture  
14 Display Co., Ltd. During the Conspiracy Period, MTPD manufactured, marketed, sold and/or  
15 distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to  
16 customers throughout the United States and Washington.

17 29. Defendant Panasonic Corporation, which was at all times during the Conspiracy  
18 Period known as Matsushita Electric Industrial Co., Ltd. and became Panasonic Corporation on  
19 October 1, 2008, is a Japanese entity with its principal place of business located at 1006 Oaza  
20 Kadoma, Kadoma-shi, Osaka 571-8501, Japan. In 2002, Panasonic Corporation entered into a  
21 joint venture with Defendant Toshiba Corporation forming Defendant MTPD. On April 3,  
22 2007, Panasonic Corporation purchased all other shares of MTPD, making MTPD a wholly-  
23 owned subsidiary of Panasonic Corporation. During the Conspiracy Period, Panasonic  
24 Corporation manufactured, marketed, sold and/or distributed CRT Products, either directly or  
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1 indirectly through its subsidiaries or affiliates, to customers throughout the United States and  
2 Washington.

3           30. Defendant Panasonic Corporation of North America ("Panasonic NA") is a  
4 Delaware corporation with its principal place of business located at One Panasonic Way,  
5 Secaucus, New Jersey 07094. Panasonic NA is a wholly-owned and controlled subsidiary of  
6 Defendant Panasonic Corporation. During the Conspiracy Period, Panasonic NA  
7 manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly  
8 through its subsidiaries or affiliates, to customers throughout the United States and  
9 Washington. Panasonic NA operates a branch of its business in Kent, Washington. Panasonic  
10 NA has registered with the Washington State Secretary of State for purposes of doing business  
11 in Washington and does have a registered agent in Washington State.

12           31. Defendants Panasonic Corporation and Panasonic NA are collectively referred  
13 to herein as "Panasonic."

14           32. Defendant Hitachi, Ltd. is a Japanese company with its principal place of  
15 business located at 6-1 Marunouchi Center Building 13F, Chiyoda-ku, Tokyo 100-8280, Japan.  
16 During the Conspiracy Period, Hitachi Ltd. manufactured, marketed, sold and/or distributed  
17 CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
18 throughout the United States and Washington. Hitachi Data Systems, located in Bellevue, WA,  
19 is a wholly owned subsidiary of Hitachi, Ltd.

20           33. Hitachi Displays, Ltd. ("Hitachi Displays") is a Japanese company with its  
21 principal place of business located at AKS Bldg. 5F, 6-2, Kanda Neribeicho 3, Chiyoda-ku.  
22 Tokyo, Japan. In 2002, Defendant Hitachi, Ltd spun off its CRT business to create a separate  
23 company called Hitachi Displays, Ltd. During the Conspiracy Period, Hitachi Displays and its  
24 predecessor companies manufactured, marketed, sold and/or distributed CRT Products, either  
25 directly or indirectly through its subsidiaries or affiliates, to customers throughout the United  
26

1 States and Washington. Defendant Hitachi, Ltd. controlled the finances, policies, and affairs of  
2 Hitachi Displays during the Conspiracy Period.

3 34. Hitachi Electronic Devices (USA), Inc. ("HEDUS") is a Delaware corporation  
4 with its principal place of business located as 1000 Hurricane Shoals Road, Ste. D-100,  
5 Lawrenceville, GA 30043. HEDUS is a subsidiary of Defendant Hitachi, Ltd. During the  
6 Conspiracy Period, HEDUS manufactured, marketed, sold and/or distributed CRT Products to  
7 customers, either directly or indirectly through its subsidiaries or affiliates, to customers  
8 throughout the United States and Washington. Defendant Hitachi, Ltd. controlled the finances,  
9 policies, and affairs of HEDUS during the Conspiracy Period.

10 35. Defendant Hitachi Asia, Ltd. ("Hitachi Asia") is a Singapore company with its  
11 principal place of business located at 7 Tampines, Grande #08-01, Hitachi Square, Singapore  
12 528736. Hitachi Asia is a wholly-owned and controlled subsidiary of Defendant Hitachi, Ltd.  
13 During the Conspiracy Period, Hitachi Asia manufactured, marketed, sold and/or distributed  
14 CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
15 throughout the United States and Washington. Defendant Hitachi, Ltd. controlled the finances,  
16 policies, and affairs of Hitachi Asia during the Conspiracy Period.

17 36. Defendants Hitachi Ltd., Hitachi Displays, HEDUS, and Hitachi Asia are  
18 collectively referred to herein as "Hitachi."

19 37. Defendant Chunghwa Picture Tubes Ltd. ("CPTL") is a Taiwanese company  
20 with its principal place of business located at No. 1127, Hépíng Rd, Bade City, Taoyuan  
21 County, Taiwan 334. During the Conspiracy Period, CPTL manufactured, marketed, sold  
22 and/or distributed CRT Products, both directly and through its wholly-owned and controlled  
23 subsidiaries in Malaysia, China, and Scotland, to customers throughout the United States and  
24 Washington.



1 **VI. TRADE AND COMMERCE**

2 44. During the Conspiracy Period, the Defendants manufactured CRTs that were  
3 incorporated into consumer products that were sold globally, both directly and indirectly,  
4 including in the United States and to residents of Washington State. CRT Products include,  
5 but are not limited to, televisions, computer monitors, and ATMs.

6 45. The CRT is a vacuum tube containing an electron gun (a source of electrons)  
7 and a fluorescent screen used to view images. It has a means to accelerate and deflect the  
8 electron beam onto the fluorescent screen to create the images. CRTs are manufactured to a  
9 specific size, regardless of manufacturer, and CRTs of like specifications are generally  
10 interchangeable regardless of their manufacturer. Manufacturing standard CRT sizes across  
11 the industry facilitates price transparency and allows manufacturers to monitor CRT prices  
12 from competitors. These characteristics of the industry enable CRT manufacturers to easily  
13 determine when competitors are deviating from cartel pricing levels. During the Conspiracy  
14 Period, CRT Products containing price-fixed CRTs produced by the Defendants were sold  
15 into the United States and in Washington State, resulting in profits to the Defendants and  
16 their co-conspirators.

17 46. Each of the Defendants sold CRTs into international streams of commerce  
18 with the knowledge, intent and expectation that such CRTs would be incorporated into CRT  
19 Products to be sold to consumers throughout the United States, including in Washington  
20 State.

21 47. Each of the Defendants manufactured, marketed, and sold CRT Products  
22 directly or indirectly to United States companies with the expectation that those CRT  
23 Products would be resold into the United States or incorporated into finished CRT Products  
24 for sale in the United States.  
25  
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1           48.     The State of Washington participated in the market for CRTs by virtue of  
2 being a purchaser during the Conspiracy Period of CRT Products manufactured by the  
3 Defendants or manufactured by companies supplied with CRTs by the Defendants.

4           49.     Washington State Residents participated in the market for CRTs by virtue of  
5 being purchasers during the Conspiracy Period of CRT Products containing CRTs  
6 manufactured by the Defendants or manufactured by companies supplied with CRTs by the  
7 Defendants.

8           50.     The actions of the Defendants and their co-conspirators were intended to, and  
9 did have a direct, substantial, and reasonably foreseeable effect on U.S. domestic import  
10 trade and commerce, and on import trade and commerce into and within the State of  
11 Washington.

12           51.     The actions of the Defendants and their co-conspirators proximately caused  
13 the injuries alleged in this complaint, in that governmental purchasers, businesses,  
14 consumers, and other indirect purchasers of CRT Products paid more than they would have  
15 in the absence of the conspiracy. This injury is concrete and quantifiable and is traceable to  
16 the Defendants' and co-conspirators' conduct.

17           52.     In addition to knowingly and intentionally directing their business towards the  
18 United States, some of the Defendants also targeted consumers in the United States by  
19 maintaining a physical presence in the United States through offices or subsidiaries,  
20 advertising CRT products in the United States, and regularly traveling for business in the  
21 United States.

22           53.     Defendant Panasonic, during the Conspiracy Period, targeted Magnolia Hi-Fi,  
23 a Washington State retailer of electronics, as a purchaser and reseller of CRT Products, and  
24 did make sales of CRT Products containing price fixed CRTs to Magnolia Hi-Fi for resale to  
25 Washington State residents.  
26

1           54. Defendant Panasonic, during the Conspiracy Period, engaged in business  
2 concerning the production and sales of CRT Products with Prima Technology, Inc., a  
3 subsidiary of Xiamen Overseas Chinese Electronic Co., Ltd. (“XOCECO”) located in  
4 Washington State.

5 **A. The CRTs Market**

6           55. Until recently, CRTs represented the dominant technology for manufacturing  
7 televisions and computer monitor.

8           56. The structural characteristics of the CRT market are conducive to the type of  
9 collusive activity alleged in this Complaint. These characteristics include market  
10 concentration, ease of information sharing, relatively consolidated manufacturers, multiple  
11 interrelated business relationships, significant barriers to entry, maturity of the CRT Product  
12 market and homogeneity of products.

13           57. During the Conspiracy Period, the CRT industry was dominated by relatively  
14 few companies. In 2004, Samsung, LG Philips Displays, MTPD and Chunghwa together  
15 held a collective 78% share of the global CRTs market. This high degree of market  
16 concentration has facilitated coordination since there are fewer cartel members among which  
17 to coordinate pricing or allocate markets, making it easier to monitor the pricing and  
18 production of the cartel members.

19           58. There have been frequent opportunities for Defendants to discuss and  
20 exchange competitive information. These include common membership in trade associations  
21 representing the CRTs market and related markets (e.g., TFT-LCD) and interrelated business  
22 arrangements such as joint ventures. Communications between Defendants to discuss and  
23 agree upon pricing for CRTs took place through at least the use of meetings, telephone calls,  
24 and e-mails.

1           59. Defendants Chunghwa, Hitachi, and Samsung are all members of the Society  
2 for Information Display. The annual Society for Information Display Symposium was held  
3 in Washington State on least one occasion during the Conspiracy Period. Defendants  
4 Samsung and LGE are two of the co-founders of the Korea Display Industry Association.  
5 Similarly, LGE, LG Philips Displays, and Samsung were all members of the Electronic  
6 Display Industrial Research Association. Defendants discussed and agreed upon pricing for  
7 CRTs and monitored their conspiracy while engaged in the business of these trade  
8 associations.

9           60. The CRTs Product industry also experienced a significant degree of  
10 consolidation and alignment during the Conspiracy Period, including: (a) the creation of LG  
11 Philips Displays in 2001 as a joint venture between Royal Philips and LGE., (b) the 2002  
12 merger of Toshiba Corporation and Panasonic's CRT business into MTPD, and (c) in 1995,  
13 Defendant Chunghwa entered into a technology transfer agreement with Defendant Toshiba for large  
14 CRTs.

15           61. In the course of consolidation, defendants also agreed to and did in fact reduce  
16 manufacturing capacity and levels in order to artificially inflate prices.

17           62. Close business relationships between Defendants provided opportunity for  
18 Defendants in the interconnected CRT industry to collude. These business relationships have  
19 also created a common interest among competitors, making the conspiracy easier to  
20 implement and to enforce than without such relationships.

21           63. To new market entrants, today or during the Conspiracy Period, the CRT  
22 industry would present substantial barriers to entry, which would require substantial time,  
23 resources, and industry knowledge to overcome.

24           64. It is extremely unlikely that a new producer would want to attempt entry into  
25 the CRT market in light of the rapidly declining demand for CRT Products.  
26



1           70. From 1995 to 1996, Defendants utilized informal bilateral discussions to carry  
2 out their conspiracy. During this period, representatives from Defendants visited the other  
3 Defendant manufacturers to discuss raising prices for CRTs generally and to specific  
4 customers. These meetings took place in Taiwan, Thailand, Japan, Malaysia, Indonesia, and  
5 Singapore.

6           71. At some point during the Conspiracy Period, Defendants began to meet in a  
7 more organized, systematic fashion, and a system of multilateral and bilateral meetings was  
8 put in place. Defendants' representatives attended many of these meetings during the  
9 Conspiracy Period.

10           72. The overall CRT conspiracy raised and stabilized worldwide prices that  
11 Defendants charged for CRTs, affecting prices for CRT Products purchased in the United  
12 States and in Washington State.

13 **A. Glass Meetings**

14           73. A series of meetings referred to by the Defendants as Glass Meetings were held  
15 at various locations where Defendants discussed price forecasts, volume, allocation, and supply  
16 and demand for CRTs.

17           74. At these Glass Meetings, Defendants agreed to fix the price of CRTs and reduce  
18 the output of CRTs. Defendants exchanged information on inventories, production, sales, and  
19 exports. This information was exchanged in ways designed to enable the attendees to agree on  
20 what the price should be for CRTs.

21           75. Top Meetings, the first level of Glass Meetings, were attended by high-level  
22 company executives including CEOs, Presidents, and Vice Presidents.

23           76. Management Meetings, the second level of meetings, were attended by the  
24 Defendants' high level sales managers. Attendees at Management Meetings handled the  
25 implementation of the agreements made at Top Meetings.  
26

1           77. Working Level Meetings, the third level of meetings, were attended by lower  
2 level sales and marketing employees. Working Level Meetings were mostly limited to  
3 exchanging information and discussing pricing of CRTs because these lower-level employees  
4 did not have authority to enter into agreements. The attendees transmitted the competitive  
5 information received at meetings up the corporate ladder to those employees with pricing  
6 authority.

7           78. Participants at the Chinese Glass Meetings included the manufacturers located  
8 in China, including, but not limited to, Samsung SDI Shenzhen, Samsung SDI Tianjin, and  
9 CPTF.

10           79. Occasionally, Glass Meetings also occurred in various European countries.  
11 Attendees at these meetings included Defendants with subsidiaries and/or manufacturing  
12 facilities located in Europe, including Philips, LG, Chunghwa, and Samsung.

13           80. Glass Meetings occurred in Taiwan, South Korea, Europe, China, Singapore,  
14 Japan, Indonesia, Thailand, and Malaysia during the Conspiracy Period.

15           81. Examples of specific agreements reached at the Glass Meetings include, but are  
16 not limited to, the following:

17               a. agreements on CRT prices, including establishing target prices, price  
18 ranges, market shares, and price guidelines;

19               b. agreements as to communications to customers rationalizing price  
20 increases;

21               c. agreements to exchange information regarding shipments, capacity,  
22 production, prices, and customer demands for CRTs;

23               d. agreements to coordinate uniform public statements regarding available  
24 capacity and supply;

1 e. agreements to allocate both overall market shares and shares of certain  
2 customers' purchases;

3 f. agreements to allocate customers;

4 g. agreements regarding capacity, including agreements to restrict output  
5 or to shut down production in certain areas;

6 h. agreements to audit compliance with such agreements including  
7 agreements to visit each other's production facilities;

8 i. authorized the participation of subordinate employees in the conspiracy;  
9 and

10 j. agreements to keep their meetings secret.

11 82. Defendants also agreed on the prices at which some of the Defendants would  
12 sell CRTs to their own corporate subsidiaries and affiliates that manufactured CRT Products.  
13 Defendants attempted to keep internal pricing to their affiliated OEMs at a high enough level  
14 to support the high CRT prices set for other OEMs in the market. By keeping both prices at  
15 superficially high levels, Defendants ensured that all direct-purchaser OEMs paid  
16 supracompetitive prices for CRTs.

17 83. Defendants concluded that they needed to make their price increase on CRTs  
18 high enough so that their direct customers would be able to justify a corresponding price  
19 increase to indirect purchasers. In doing so, Defendants' actions ensured that price increases  
20 for CRTs were passed on to indirect purchasers of CRT Products.

21 84. Defendants, as part of the conspiracy, monitored each other's adherence to these  
22 agreements.

23 **B. Ongoing Meetings and Communications**

24 85. Throughout the Conspiracy Period, Defendants engaged in relatively informal  
25 discussions. These bilateral discussions occurred on a frequent basis and were more informal  
26

1 than the group meetings. These discussions usually took place between sales and marketing  
2 employees and consisted of meetings, telephone calls, or e-mails.

3 86. Defendants had informal discussions in order to exchange information about  
4 pricing, production levels, sales information.

5 87. Defendants also engaged in such discussions during price negotiations with  
6 customers, including customers in the United States.

7 88. Informal meetings supplemented group meetings and were used to coordinate  
8 pricing.

9 89. Beginning in 1995, examples of Defendants' participation in Glass Meetings  
10 and informal communications included, but were not limited to, the following:

11 a. From at least 1995 through 2007, Defendant Samsung, through Samsung  
12 SDI, Samsung SDI Malaysia, Samsung SDI Shenzhen, and Samsung SDI Tianjin, Samsung  
13 SDI America, Samsung SDI Brazil, and Samsung SDI Mexico, participated in Glass Meetings  
14 at all levels. In addition, Samsung regularly engaged in informal discussions with each of the  
15 other Defendants. Through these discussions, Samsung agreed on prices and supply levels for  
16 CRTs.

17 b. From at least 1995 through 2001, Defendant LG, through LGE,  
18 participated in Glass Meetings at all levels. After 2001, LG participated in the CRT conspiracy  
19 through its joint venture with Royal Philips, LG Philips Displays. LG also engaged in informal  
20 discussions with each of the other Defendants on a regular basis. Through these discussions,  
21 LG agreed on prices and supply levels for CRTs.

22 c. Defendant LGEUSA participated or was represented in the Glass  
23 Meetings. To the extent LGEUSA sold or distributed CRT Products, they had an important  
24 role in the conspiracy since Defendants wanted to ensure that the prices for CRT Products paid  
25 by direct purchasers would not undercut the CRT pricing agreements arrived at during Glass  
26

1 Meetings. After 2001, LG participated in the CRT conspiracy through its joint venture with  
2 Royal Philips, LG Philips Displays.

3 d. Between at least 1996 and 2001, Defendant Philips, through Royal  
4 Philips, Philips Taiwan, and PENAC, participated in Glass Meetings at all levels. After 2001,  
5 Philips participated in the alleged CRT conspiracy through its joint venture with LGE, LG  
6 Philips Displays. Philips also engaged in numerous informal discussions with other  
7 Defendants. Through these discussions, Philips agreed on prices and supply levels for CRTs.

8 e. From at least 1995 through 2006, Defendant Chunghwa, through CPTL,  
9 CPTF, Chunghwa Malaysia, and representation from their factory in Scotland, participated in  
10 Glass Meetings at all levels. A substantial number of these meetings were attended by the  
11 highest ranking executives from Chunghwa, including the former Chairman and CEO of  
12 CPTL, C.V. Lin. Chunghwa also engaged in informal discussions with each of the other  
13 Defendants on a regular basis. Through these discussions, Chunghwa agreed on prices and  
14 supply levels for CRTs.

15 f. Between at least 1995 and 2003, Defendant Toshiba, through Toshiba  
16 Corporation and TAEC, participated in several Glass Meetings. After 2003, Toshiba  
17 participated in the CRT conspiracy through its joint venture with Panasonic Corporation,  
18 MTPD. These meetings were attended by high-level sales managers from Toshiba and MTPD.  
19 Toshiba also engaged in multiple informal discussions with other Defendants. Through these  
20 discussions, Toshiba agreed on prices and supply levels for CRTs.

21 g. Between at least 1996 and 2001, Defendant Hitachi, through Hitachi,  
22 Ltd., HEDUS, and Hitachi Asia, participated in several Glass Meetings which included  
23 attendance by high-level sales managers from Hitachi. Hitachi also engaged in multiple  
24 informal discussions with other Defendants. Through these discussions, Hitachi agreed on  
25 prices and supply levels for CRTs.  
26

1           h. Defendant Hitachi Displays participated or was represented in the Glass  
2 Meetings. To the extent Hitachi entities sold or distributed CRT Products, they had an  
3 important role in the conspiracy since Defendants wanted to ensure that the prices for CRT  
4 Products paid by direct purchasers would not undercut the CRT pricing agreements arrived at  
5 during Glass Meetings.

6           i. Between at least 1996 and 2003, Defendant Panasonic, through  
7 Panasonic Corporation (known throughout the Conspiracy Period as Matsushita Electric  
8 Industrial Co. Ltd.), participated in several Glass Meetings. After 2003, Panasonic participated  
9 in the CRT conspiracy through its joint venture with Toshiba Corporation, MTPD. These  
10 meetings were attended by high-level sales managers from Panasonic and MTPD. Panasonic  
11 also engaged in multiple informal discussions with other Defendants. Through these  
12 discussions, Panasonic agreed on prices and supply levels for CRTs.

13           j. Defendant Panasonic NA participated or was represented in the Glass  
14 Meetings. To the extent Panasonic entities sold or distributed CRT Products, they had an  
15 important role in the conspiracy since Defendants wanted to ensure that the prices for CRT  
16 Products paid by direct purchasers would not undercut the CRT pricing agreements arrived at  
17 during Glass Meetings. After 2003, Panasonic participated in the CRT conspiracy through its  
18 joint venture with Toshiba Corporation, MTPD.

19           k. Between at least 2003 and 2006, Defendant MTPD participated in  
20 multiple Glass Meetings. These meetings were attended by high-level managers from MTPD.  
21 In addition, MTPD engaged in informal discussions with other Defendants. Through these  
22 discussions, MTPD agreed on prices and supply levels for CRTs.

23           l. Where this complaint refers to a corporate family or companies by a  
24 single name in its allegations of participation in the conspiracy, Plaintiff is alleging that one or  
25 more employees or agents of entities within the corporate family engaged in conspiratorial  
26

1 meetings on behalf of every company in that family. The individual participants entered into  
2 agreements on behalf of, and reported these meetings and discussions to, their respective  
3 corporate families. As a result, the entire corporate family was represented in meetings and  
4 discussions by their agents and was a party to the agreements reached in them.

5 **B. The CRT Market During the Conspiracy**

6 90. Until recently, CRTs were the dominant technology used in displays such as  
7 television and computer monitors. During the Conspiracy Period, this translated into the sale  
8 of millions of CRT Products, resulting in billions of dollars in annual profits to the Defendants.

9 91. During the whole of the Conspiracy Period, North America was the largest  
10 market for CRT televisions and computer monitors. The 1995 worldwide market for CRT  
11 monitors was 57.8 million units, 28 million of which were purchased in North America. By  
12 2002, North America still accounted for around 35 percent of the world's CRT monitor supply.

13 92. Defendants' collusion is evidenced by unusual price behavior in the CRT  
14 Product market during the Conspiracy Period. Despite industry predictions that the price of  
15 CRT Products would drop and the existence of economic conditions warranting a drop in  
16 prices, CRT Product prices remained stable.

17 93. Defendants also conspired to limit the production of CRTs by shutting down  
18 production lines for agreed periods of time and closing or consolidating their manufacturing  
19 facilities.

20 94. Later in the Conspiracy Period, while demand in the United States and other  
21 areas for CRT Products declined, Defendants' conspiracy was effective in moderating the  
22 normal downward pressures on prices for CRTs caused by the entry and popularity of the new  
23 generation LCD panels and plasma display products.

1           95.     Price increases and later relative price stability in the market for CRTs during  
2 the Conspiracy Period are inconsistent with a competitive market for a product facing rapidly  
3 decreasing demand caused by a new, substitutable technology.

4     **C.     Civil, Criminal, and International Proceedings**

5           96.     In August 2011, Samsung SDI paid a \$32,000,000 fine to the United States  
6 Department of Justice and pled guilty to violating Section 1 of the Sherman Act by fixing  
7 prices, reducing output and allocating market shares of color display tubes from at least as  
8 early as January 1997 until as late as March 2006.

9           97.     The Samsung SDI plea agreement stated that, in furtherance of the conspiracy,  
10 Samsung SDI, through its officers and employees, engaged in discussions and attended  
11 meetings with representatives of other major color display tube producers and that in these  
12 meetings, agreements were reached to fix prices, reduce output, and allocate market shares of  
13 color display tubes to be sold in the United States and elsewhere.

14           98.     On February 10, 2009, a federal grand jury in San Francisco returned a two-  
15 count indictment against the former Chairman and Chief Executive Officer of Defendant  
16 CPTL, Cheng Yuan Lin, aka C.Y. Lin, for his participation in global conspiracies to fix the  
17 prices of two types of CRTs used in computer monitors and televisions. An additional five  
18 executives employed by various Defendants during the conspiracy period have been indicted.  
19 These executives are currently considered fugitives from the Court.

20           99.     In January 2011, the Korean Fair Trade Commission collectively fined  
21 Samsung SDI, CPTL, Chunghwa Malaysia and CPTF approximately \$23,600,000 for agreeing  
22 to fix prices and cut production in the color display tube market from 1996 through 2006.

23           100.    Chunghwa, in addition to reaching a settlement agreement with the Indirect  
24 Purchaser Class which includes providing cooperation, has entered into a Leniency Agreement  
25 with the United States Department of Justice, under the Antitrust Criminal Penalty  
26

1 Enhancement and Reform Act of 2004, and is actively cooperating with the DOJ and several  
2 civil plaintiffs regarding the allegations contained in this complaint. Royal Philips has reached  
3 a settlement agreement with the Direct Purchaser Class which includes cooperation.

#### 4 **VIII. FRAUDULENT CONCEALMENT**

5 101. The Defendants and their co-conspirators repeatedly sought to mask or  
6 conceal the conspiracy. At no time did the conspirators publicly admit that they were  
7 collaborating to set, stabilize or fix prices and output. Among other actions, they:

8 a. agreed to actively conceal the nature and existence of their price-fixing  
9 agreement;

10 b. agreed to disseminate false and pretextual reasons for the inflated prices  
11 of CRTs during the Conspiracy Period by describing such pricing falsely as being the result of  
12 external costs rather than collusion;

13 c. agreed among themselves on what to tell their customers about price  
14 changes, and agreeing upon which attendee would communicate the price change to which  
15 customer;

16 d. agreed among themselves upon the content of public statements  
17 regarding capacity and supply; and

18 e. engaged in a successful, illegal price-fixing conspiracy that by its nature  
19 was inherently self-concealing.

20 102. The state of Washington did not discover, and could not have reasonably  
21 discovered the existence of the conspiracy alleged herein prior to learning of the initiation of a  
22 class action lawsuit.

1  
2  
3 **IX. CAUSE OF ACTION**

4 **Violation of the Consumer Protection Act, RCW 19.86.030**

5 103. Plaintiff realleges and incorporates by reference, as if fully set forth herein,  
6 the allegations in paragraphs 1-102 above.

7 104. The conduct of each of the Defendants alleged herein constitutes a contract,  
8 combination or conspiracy with other Defendants in restraint of trade or commerce.

9 105. Defendants' contract, combination or conspiracy was for the purpose of, and  
10 had the effect of, raising and/or stabilizing prices or price levels in violation of the state  
11 Consumer Protection Act, RCW 19.86.030.

12 **X. INJURY**

13 106. During the Conspiracy Period consumers and the state of Washington paid  
14 supracompetitive prices for CRT products because of the unlawful agreements among the  
15 Defendants and their co-conspirators.

16 107. The acts of the Defendants and co-conspirators caused antitrust injury to  
17 victims in the United States, including in Washington State.

18 **XI. REQUEST FOR RELIEF**

19 **Plaintiff requests that the Court:**

20 A. Enter judgment in favor of the State of Washington and against Defendants jointly and  
21 severally;

22 B. Adjudge and decree that the Defendants have engaged in the conduct alleged herein;

23 C. Adjudge and decree the conspiracy described herein to be an unlawful contract,  
24 combination or conspiracy in restraint of trade or commerce in the state of Washington in  
25 violation of the Unfair Business Practices – Consumer Protection Act, RCW 19.86.030;  
26

- 1 D. Award full damages and restitution to the state of Washington on behalf of its state  
2 agencies and residents;
- 3 E. Award any and all civil penalties allowed by law;
- 4 F. Award pre-judgment and post-judgment interest at the highest allowable legal rate and  
5 from the earliest time allowable by law;
- 6 G. Award costs and attorneys' fees expended in this suit to the full extent allowed by law;
- 7 H. Issue appropriate injunctions to prohibit illegal activity; and
- 8 I. Any additional relief this Court deems proper and just.
- 9

10 DATED this 1<sup>st</sup> day of May, 2012.

11

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