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MEDIA ADVISORY

UTAH DEPARTMENT OF COMMERCE ANNOUNCES SETTLEMENT WITH APPLE OVER IPHONE THROTTLING

[Salt Lake City] — The Utah Department of Commerce's Division of Consumer Protection, along with a coalition of over 30 attorneys general led by Arizona Attorney General Mark Brnovich, Arkansas Attorney General Leslie Rutledge, and Indiana Attorney General Curtis Hill, announced a \$113 million settlement with Apple, Inc. regarding Apple's 2016 decision to throttle consumers' iPhone speeds in order to address unexpected shutdowns in some iPhones. The Utah Attorney General's office provided legal services to the Division of Consumer Protection in the settlement.

Based on the multistate investigation, the attorneys general allege that Apple discovered that battery issues were leading to unexpected shutdowns in iPhones. Rather than disclosing these issues or replacing batteries, however, Apple concealed the issues from consumers. Apple's concealment ultimately led to a software update in December 2016 that reduced iPhone performance in an effort to keep the phones from unexpectedly shutting down.

The attorneys general allege that Apple's concealment of the battery issues and decision to throttle the performance of consumers' iPhones led to Apple profiting from selling additional iPhones to consumers whose phone performance Apple had slowed.

Under the settlement, Utah will receive \$1.5 Million. In addition to the monetary payment, Apple also must provide truthful information to consumers about iPhone battery health, performance, and power management. Apple must provide this important information in various forms on its website, in update installation notes, and in the iPhone user interface itself. Apple recently also entered into a proposed settlement of class action litigation related to the same conduct, and under that proposed settlement Apple will pay out up to \$500 million in consumer restitution.

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