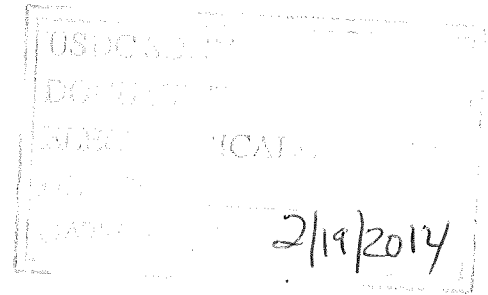


The  
**Bromwich  
Group**

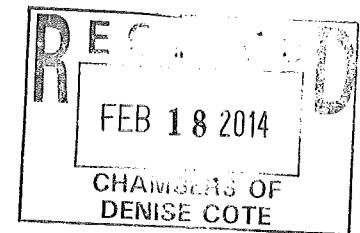


The Bromwich Group LLC  
901 New York Avenue, NW, 5<sup>th</sup> Floor  
Washington, DC 20001

February 18, 2014

BY EMAIL

The Honorable Denise L. Cote  
United States District Judge  
Southern District of New York  
United States Courthouse  
500 Pearl Street  
New York, NY 10007



Re: United States of America v. Apple, Inc., et al., 12 Civ. 2826  
State of Texas, et al., v. Penguin Group (USA) Inc., et al., 12 Civ. 3394

Dear Judge Cote:

I have reviewed with great interest the proceedings before this Court and the Second Circuit in the above-captioned matters over the past two months. More specifically, I have reviewed the briefs filed by the parties in connection with Apple's Motion to Stay Section VI of the September 5, 2013 Final Judgment ("Final Judgment"), the transcript of the January 13, 2014, proceedings regarding that motion, the Court's 64-page Opinion and Order of January 16 ("January 16 Order") denying the motion, and the Second Circuit's February 10 order denying Apple's stay request.

My team and I fully share the Court's disappointment in the lack of progress we have made since my appointment on October 16, but are fully prepared, as the Court urged in its January 16 Order, to reset our relationship with Apple and try to put it on a more productive course. January 16 Order, at 63. Because of the concern expressed by the Court about its lack of awareness of the obstacles we have faced from the time of my appointment, we thought it would be helpful at this time to provide a brief update.

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February 18, 2014  
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We were required to put our work completely on hold between January 16 and February 10, but we have already moved forward promptly to fulfill the responsibilities assigned to us by the Final Judgment. On February 11, the day after the Second Circuit denied Apple's stay motion, we sent two separate communications to counsel for Apple. The first asked Apple for available dates to meet with Magistrate Judge Dolinger, as directed by the Court at the January 13 hearing and in its January 16 Opinion, to address fee-related issues. The second addressed issues relating to obtaining documents and scheduling presentations and interviews.

On February 14, I received an email from Doug Vetter, Vice President and Associate General Counsel of Apple. Mr. Vetter's email stated that going forward, he would be the point of contact for the monitoring team (that is the reason Mr. Vetter is copied on this letter). In his email, Mr. Vetter proposed a meeting in Washington, DC, the week of March 3 to brief us on the status of Apple's revised antitrust policies, procedures, and training. We have accepted his offer and will be meeting on March 4. We are hopeful that this is a step towards restarting our relationship.

In order to ensure that the Court is fully informed of significant developments, we respectfully suggest that the Court consider holding periodic status conferences during which the parties and we can address issues and concerns that have arisen so that they can be resolved without the need for unproductive exchanges of letters and emails, and burdensome and unnecessary court filings. We would be available, at the Court's convenience, to have such status conferences in person, but we could also conduct them by telephone. I have advised Apple of my intention to request such periodic status conferences with the Court; Mr. Vetter has informed me that Apple believes the conferences I am proposing are unnecessary. Subject to the Court's availability and the schedule of the parties, we suggest that the first status conference be held the week of March 10.

Despite the obstacles we have faced until now, and the forced hiatus over the past month, we fully intend to fulfill our obligations to the Court in this matter, including filing our initial semi-annual report on or before April 14, 2014.

Respectfully submitted,



Michael R. Bromwich

cc: Doug Vetter, Esq.  
Lawrence E. Buterman, Esq.  
Eric Lipman, Esq.