

Apple to hand out iTunes credits in settlement

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Apple has agreed to give more than \$100 million in iTunes store credits to settle a lawsuit alleging that the iPhone and iPad maker improperly charged kids for playing games on their mobile devices.

The 2-year-old case centers on allegations that Apple didn't create adequate parental controls to prevent children from buying extra features while playing free games on iPhones and iPads in 2010 and 2011. Parents who filed the lawsuit in 2011 said they didn't realize their children were racking up the charges until they received bills or other notifications after the purchases were made. The games that had been downloaded were designed for kids as young as 4 years old, according to the lawsuit.

Apple introduced more stringent controls governing in-game purchases as part of a March 2011 update to the software that runs its mobile devices.

Under an agreement filed in federal court last week, Apple has agreed to award an iTunes credit of \$5 to each of the estimated 23 million account holders who may have been affected. Parents could receive more if they can show their bills exceeded \$5. If the charges exceeded \$30, cash refunds will be offered.

The lawyers who sued Apple said it's still too early to determine how many people ultimately will qualify for the iTunes credits and cash refunds. As part of the settlement, the attorneys are seeking \$1.3 million

in fees, which would be paid by Apple.

Apple, which is based in Cupertino, California, declined to comment Tuesday.

A hearing on the proposed settlement is scheduled Friday in San Jose, California.

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