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RICHARD W. WICKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 UNITED STATES OF AMERICA

CR 10 0756
No.

12 v.

13
14 HSIN-TSUNG WANG, aka H.T. WANG,

RS
VIOLATION:
Title 15, United States Code,
Section 1 (Price Fixing)
San Francisco Venue

15 Defendant.
16

17
18 **INDICTMENT**

19 The Grand Jury charges that:

20 I.

21 **DESCRIPTION OF THE OFFENSE**

- 22 1. HSIN-TSUNG WANG, aka H.T. WANG, is hereby indicted and made a
23 defendant on the charge stated below.
24 2. From on or about September 14, 2001, until on or about December 1, 2006 ("the
25 period covered by this Indictment"), the exact dates being unknown to the Grand Jury, the
26 defendant and other coconspirators entered into and engaged in a combination and conspiracy to

INDICTMENT

1 suppress and eliminate competition by fixing the prices of thin-film transistor liquid crystal
2 display panels ("TFT-LCD") in the United States and elsewhere. The combination and conspiracy
3 engaged in by the defendant and other coconspirators was in unreasonable restraint of interstate
4 and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

5 3. The charged combination and conspiracy consisted of a continuing agreement,
6 understanding, and concert of action among the defendant and other coconspirators, the
7 substantial terms of which were to agree to fix the prices of TFT-LCDs for use in notebook
8 computers, desktop computer monitors, and televisions in the United States and elsewhere.

9 II.

10 DEFENDANT AND COCONSPIRATORS

11 4. Defendant HSIN-TSUNG WANG is a resident of Taiwan. During the period
12 covered by this Indictment, the defendant was Vice President of Sales and Marketing for Chi Mei
13 Optoelectronics Corporation. The defendant joined and participated in the conspiracy from at
14 least as early as September 14, 2001 and continuing at least until December 1, 2006.

15 5. Various corporations and individuals not made defendants in this Indictment
16 participated as coconspirators in the offense charged in this Indictment and performed acts and
17 made statements in furtherance of it.

18 6. Whenever in this Indictment reference is made to any act, deed, or transaction of
19 any corporation, the allegation means that the corporation engaged in the act, deed, or transaction
20 by or through its officers, directors, employees, agents, or other representatives while they were
21 actively engaged in the management, direction, control, or transaction of its business or affairs.

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1 III.

2 MEANS AND METHODS OF THE CONSPIRACY

3 7. For the purpose of forming and carrying out the charged combination and
4 conspiracy, the defendant and other coconspirators did those things that they combined and
5 conspired to do, including, among other things:

6 (a) On or about September 14, 2001, representatives from four Taiwan TFT-
7 LCD manufacturers, including the defendant, secretly met in a hotel room
8 in Taipei, Taiwan and entered into and engaged in a conspiracy to fix the
9 price of TFT-LCD. At this meeting, the conspirators agreed to meet
10 approximately once a month for the purpose of fixing the price of TFT-
11 LCD panels. These meetings were commonly referred to by some of the
12 conspirators as "Crystal Meetings." The four Taiwan TFT-LCD
13 manufacturers also agreed to rotate responsibility for coordinating each of
14 these monthly meetings.

15 (b) On or about September 21, 2001, representatives from two Korean TFT-
16 LCD manufacturers joined representatives from the four Taiwan TFT-LCD
17 manufacturers, including the defendant, at a Crystal Meeting in a hotel
18 room in Taipei, Taiwan. At or before the September 21, 2001 Crystal
19 Meeting, the two Korean TFT-LCD manufacturers agreed to join the
20 conspiracy to fix the price of TFT-LCD.

21 (c) Employees from Chi Mei Optoelectronics Corporation, including the
22 defendant or his subordinates, attended Crystal Meetings on a regular basis
23 between on or about September 14, 2001 until on or about December 1,
24 2006 with employees of other participating TFT-LCD manufacturers.

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- 1 (d) The defendant attended and participated in multiple Crystal Meetings. The
2 defendant also authorized, ordered, or consented to the attendance and
3 participation of his subordinate employees at Crystal Meetings.
- 4 (e) During the period covered by this Indictment, participants in the Crystal
5 Meetings regularly exchanged production, shipping, supply, demand, and
6 pricing information with each other at the meetings for the purpose of
7 agreeing to fix the price of TFT-LCD, as well as implementing, monitoring,
8 and enforcing adherence to the fixed prices. Up until 2003, the participants
9 in the Crystal Meetings reached price agreements on certain sized TFT-
10 LCD used in computer notebooks and monitors. Beginning in 2003, the
11 price agreements reached at the Crystal Meetings also included certain
12 sized TFT-LCD used in flat-screen televisions.
- 13 (f) The participants in the conspiracy issued price quotations in accordance
14 with the price agreements and accepted payment for the supply of TFT-
15 LCDs sold at collusive, noncompetitive prices to customers in the United
16 States and elsewhere.
- 17 (g) From on or about September 14, 2001 until in or about May 2005, the
18 defendant and other senior sales executives from the participating TFT-
19 LCD manufacturers attended the Crystal Meetings.
- 20 (h) In or about May 2005, the participants in the Crystal Meetings discussed
21 that one or two major TFT-LCD customers may have detected the Crystal
22 Meetings. To keep the meetings secret and avoid detection, the Crystal
23 Meeting participants decided to stop having senior-level sales executives
24 attend the Crystal Meetings. Instead, the senior-level executives, including
25 the defendant, instructed lower-level marketing employees to continue the
26 Crystal Meetings. Lower-level marketing employees of Chi Mei

1 Optoelectronics Corporation and the other participating TFT-LCD
2 manufacturers continued to meet monthly as a group to exchange shipment,
3 production, and pricing information in furtherance of the conspiracy to fix
4 the price of TFT-LCD. The lower-level marketing employees met at
5 restaurants and cafes, instead of hotels, in Taipei.

6 (i) In or about the spring of 2006, the participants in the Crystal Meetings
7 became further concerned about being detected after receiving news reports
8 of an ongoing price-fixing investigation by the United States Department of
9 Justice into the dynamic random access memory (“DRAM”) industry and
10 after receiving other information about a possible investigation into the
11 TFT-LCD industry. To further avoid detection and keep the meetings
12 secret, the conspiracy members agreed to no longer meet as a group, but
13 instead have back-to-back, one-on-one meetings with each other on a
14 certain date each month at restaurants and cafes in Taipei, Taiwan.
15 Through these round-robin style meetings, the participants continued to
16 exchange shipment, production, and pricing information in furtherance of
17 the conspiracy to fix the price of TFT-LCD. These round-robin meetings
18 continued until in or about December 2006.

19 (j) During the period covered by this Indictment, the defendant and other
20 coconspirators took steps to conceal the conspiracy and conspiratorial
21 contacts through various means:

22 (1) The Crystal Meeting participants discussed the need to keep the
23 Crystal Meetings secret and warned against revealing the existence
24 of the meetings, even to other employees within their own
25 companies who did not participate in the conspiracy.
26

1 (2) Participants in the Crystal Meetings were specifically warned to
2 keep the meetings secret because of antitrust laws and the ongoing
3 price-fixing investigation into the DRAM industry.

4 IV.

5 TRADE AND COMMERCE

6 8. TFT-LCDs are glass panels composed of an array of tiny pixels that are
7 electronically manipulated in order to display images. TFT-LCDs are manufactured in a broad
8 range of sizes and specifications for use in televisions, notebook computers, desktop computer
9 monitors, cell phones, mobile devices, and other applications. For purposes of this Indictment,
10 TFT-LCD refers to standard-sized panels for use in computer notebooks and monitors and
11 televisions, including sizes 12.1", 13", 13.3", 14", 14.1", 15", 15.2", 15.4", 17", 18", 19", 20", 26",
12 and 30".

13 9. During the period covered by this Indictment, the defendant, his corporate
14 employer, and coconspirators sold and distributed substantial quantities of TFT-LCDs in a
15 continuous and uninterrupted flow of interstate and foreign trade and commerce to customers
16 located in states or countries other than the states or countries in which the defendant, his
17 corporate employer, and coconspirators produced TFT-LCDs. In addition, payments for TFT-
18 LCDs traveled in interstate and foreign trade and commerce.

19 10. The business activities of the defendant, his corporate employer, and
20 coconspirators that are the subject of this Indictment were within the flow of, and substantially
21 affected, interstate and foreign trade and commerce.

22 V.

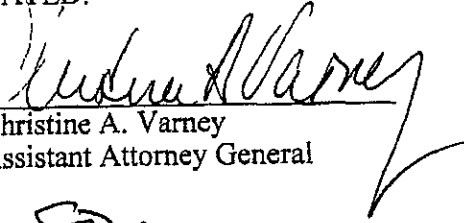
23 JURISDICTION AND VENUE

24 11. The combination and conspiracy charged in this Indictment was carried out, in
25 part, in the Northern District of California, within the five years preceding the filing of this
26 Indictment.

1 ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.


2 DATED:

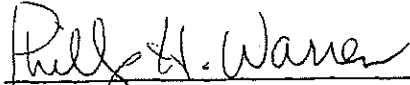
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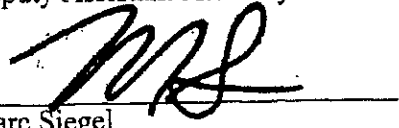
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4 
5 Christine A. Varney
6 Assistant Attorney General

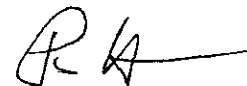


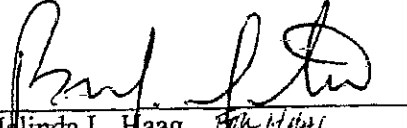
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