

An Important Notice from the Superior Court of California, County of Alameda

You could recover \$125.00 for each Early Termination Fee you paid under a class action settlement with Sprint

A court authorized this Notice. This is not a solicitation from a lawyer. Please do not contact Sprint about this Notice.

- A proposed settlement has been reached in a class action claiming Sprint's \$150 and \$200 flat-rate early termination fees ("ETFs") violated California law.
- If (1) you are the Account Holder and had a Sprint cellphone account for personal use, with a California area code and a California billing address, (2) you paid one or more Sprint flat-rate ETFs for an early contract termination that occurred between July 10, 1999 and March 18, 2007, or paid an ETF under a Nextel cellphone contract that was initiated on or after August 12, 2005, and terminated on or before March 18, 2007 and (3) you submit a claim on or before **April 25, 2017**, then you may be eligible to recover \$125 for each ETF you paid.
- Your options are explained in this Notice. To file a claim, you must act before **April 25, 2017**.
- **To file your claim now, click [here](#).**
- You do not need any documentation to file a claim.
- If you received a postcard with a claim code, you will be asked to provide that code along with the name of the account holder and either a phone number or address for the account.
- If you do not have a claim code, you will be asked to provide the account holder's name, a phone number on the account, and the address on the account, or the account holder's name and account number.
- Any questions? Read on, browse the pages on this website, or email the settlement administrator at info@SprintCaliforniaETFsettlement.com.

BASIC INFORMATION

1. Why did I get this Notice?

This Notice explains that Sprint and the Class have reached a class action settlement (the "Settlement") that may affect you if you are a member of the Class. You have legal rights and options that you may exercise. Judge Winifred Y. Smith of the Superior Court of California, County of Alameda, is overseeing this class action. The lawsuit is known as *Ayyad v. Sprint Spectrum, L.P., et al.*, Case No. RG03121510.

2. What is this lawsuit about?

In this lawsuit, Plaintiffs and the Class claimed that the ETFs Sprint charged to and collected from Class Members for contracts that were terminated during the Class Period were unlawful under California law. They asked the Court to prohibit Sprint from collecting such ETFs that it had charged to Class Members but had not yet collected. They also requested the Court to refund to the members of the Class the ETFs that the Class Members had paid.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called "Class Representatives" (in this case Ramzy Ayyad, Christine Morton, Amanda Selby Beck, Richard Samko and Jeweldean Hull) sue on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." The Class Representatives who sued are called the Plaintiffs. The company they sued (in this case, Sprint) is called the Defendant. One court resolves the issues for everyone in the Class except for those people who choose to exclude themselves from the Class.

4. Why is this lawsuit a class action?

In 2006, the Court decided that this lawsuit could proceed as a class action and move towards a trial. A notice was published, informing Class Members of their right to request exclusion from the class.

THE CLAIMS IN THE LAWSUIT

5. What are the plaintiffs' claims in the lawsuit?

In the lawsuit, the Plaintiffs contended that Sprint's flat ETFs of \$150 and \$200 during the Class Period, were unlawful because Sprint did not, before inserting an ETF provision into its subscriber contracts, conduct a "reasonable endeavor" to make certain that they did not exceed the actual harm Sprint would suffer from the early termination of consumer contracts, as California law required. Plaintiffs claimed that by inserting an ETF provision into its subscriber contracts, and by imposing ETFs on and collecting them from Class Members, Sprint violated California's Unfair Competition Law ("UCL"), Business & Professions Code § 17200, *et seq.*, and the Consumer Legal Remedies Act ("CLRA"), Civil Code § 1770, *et seq.* Plaintiffs and the Class also requested the Court to order Sprint to pay the attorneys' fees, costs and expenses their lawyers incurred, under California

statutes that allow or require the Court to award such fees, costs and expenses under some circumstances in cases that confer benefits on consumers, the public or a large class of people. You can read the Plaintiffs' Class Action Complaint at www.SprintCaliforniaETFsettlement.com.

6. How did Sprint answer?

Sprint denied any wrongdoing and denied the plaintiffs' allegations. Sprint contended that its ETFs were legal, and it defended the case, including asserting that Sprint suffered damages when a customer terminated early. Sprint also filed a cross-claim against the Class, as an offset to the class claim of damages, claiming that the Class Members had breached their subscriber contracts in terminating them early, and asking the Court to set off against any damages or refunds awarded to the Class the amount of actual damages Sprint had suffered as a result of the early contract terminations. Sprint was not asking the Court to require the Class Members to pay it out-of-pocket for its damages. You can read Sprint's Answer and Cross-Complaint at www.SprintCaliforniaETFsettlement.com.

7. Has the Court decided who is right?

This lawsuit has been going on for 13 years. There have already been two trials, six appeals and a number of appellate writ proceedings. As is discussed below, these previous proceedings have resolved certain issues in the case, but other issues still remain unresolved.

After a trial held in 2008, the Court ruled that Sprint's ETFs violated California law. The Court therefore issued an injunction prohibiting Sprint from collecting \$225,697,433 of ETFs that it charged but that had not been paid by the Class Members. The Court also determined that the Class was entitled to recover the \$73,775,975 of ETFs that Class Members had paid, minus the amount of Sprint's damages from the Class Members' breaches of their contracts. The jury at the same trial also determined that the Class Members had breached their contracts with Sprint.

A second trial, held in 2013, was limited to determining the amount of actual damages Sprint had suffered from the Class Members' breaches of their contracts. At that trial, Sprint presented to the jury two different ways of measuring its damages. One way was to measure damages by the expenditures Sprint made in reliance on the full performance by the Class Members of the contracts they breached. This measure of damages is called "reliance damages." The other way Sprint asked the jury to calculate damages was by measuring the profits it lost due to the early termination of the Class Members' contracts. This measure of damages is called "lost profits" damages. The second trial did not result in a final resolution of the amount of Sprint's "lost profits" damages. This trial resulted in a ruling, which was affirmed on appeal, that a third trial would be required to determine Sprint's "lost profits" damages, if any.

8. What issues remain unresolved in the case and what are Plaintiffs' and Sprint's positions on them?

Sprint contends that it lost profits, and is entitled to an award of damages, as a result of the early termination of the Class Members' contracts. As discussed above, Sprint's claim for "lost-profits" damages has not yet been decided in the lawsuit. Therefore, it has not yet been determined by what amount, if any, the Class's refund will be reduced or eliminated entirely due to a complete setoff. Sprint claims that the actual "lost-profits" damages it suffered as a result of the early terminations exceeds the \$73,775,975 of ETFs that the Class Members paid, and that therefore the Class should recover nothing. Plaintiffs claim that the "lost-profits" damages Sprint suffered, if any, are less than the amount of ETFs the Class Members paid, and that the Class Members therefore are entitled to a net refund of the ETFs they paid.

The amount of attorneys' fees, costs and expenses that Sprint should pay to the Class's attorneys for the \$225,697,433 injunction they obtained, the other work they have performed in the case and the benefits they have conferred on the class and the public also has not yet been determined and will be subject to an arbitration process described in the Stipulation of Settlement.

WHO IS IN THE CLASS

9. Am I part of this Class?

The Class consists of all persons who had a wireless telephone personal account with Sprint with a California area code and a California billing address who were charged and/or paid a flat fee early termination fee from July 23, 1999, to March 18, 2007, or were charged and/or paid an ETF under a Nextel cellphone contract that was initiated on or after August 12, 2005, and terminated on or before March 18, 2007. If you fall within the definition of the Class and did not request exclusion from it when you were earlier given an opportunity to do so, you are a Class Member.

THE PROPOSED SETTLEMENT

10. What Is the Proposed Settlement?

Plaintiffs and Sprint have negotiated a Stipulation of Settlement that resolves all remaining claims between the Class and Sprint. If the Court approves the proposed Settlement, Sprint will pay compensation to those Class Members who paid ETFs it imposed on them for contract terminations that occurred during the Class Period, do not request exclusion from the Class and file a valid

claim. The Settlement leaves in effect, and Sprint has agreed to not seek modification or elimination of, the injunction previously entered in the case, which prevents Sprint from collecting unpaid ETFs from Class Members. The Settlement also provides for the resolution through binding arbitration of the parties' dispute about the attorneys' fees, costs and expenses to be paid to the attorneys for the Class.

11. What benefits does the Settlement provide to Class Members?

If (1) you are the Account Holder and had a Sprint cellphone account for personal use, with a California area code and a California billing address, (2) you paid one or more Sprint flat-rate ETFs for an early contract termination that occurred on or after July 10, 1999 and on or before March 18, 2007, or paid an ETF under a Nextel cellphone contract that was initiated on or after August 12, 2005, and terminated on or before March 18, 2007 and (3) you submit a claim on or before **April 25, 2017**, then you may be eligible to recover \$125 for each ETF you paid.

The Court previously ruled that Class Members who did not pay an ETF are not entitled to recover any money in the lawsuit. Therefore, Class Members who were charged an ETF by Sprint but did not pay the ETF will not be entitled to receive any money under the Settlement.

12. What are the Settlement's Provisions Regarding Attorneys' Fees, Costs and Expenses?

The parties were unable to resolve their dispute about the amount of attorneys' fees, costs and expenses that Sprint should pay to counsel for Plaintiffs and the Class related to the various portions of work in the case. The Settlement provides that the amount of those fees, costs and expenses shall be resolved in an arbitration pursuant to the Federal Arbitration Act. The arbitrator may award no less than \$17 million in fees, costs and expenses, and no more than \$20 million.

13. Does the Settlement authorize any incentive payments to the Class Representatives?

Yes. If the Settlement is approved, Sprint will pay a total of \$60,000.00 in incentive payments to the Class Representatives for their representation of the Class over the 13 years the Action has been litigated — \$20,000.00 to Jeweldean Hull and \$10,000 each to Ramzy Ayyad, Christine Morton, Amanda Selby Beck, and Richard Samko.

14. What Effect Will the Settlement Have on the Claims in the Action or on my ETF Claims Against Sprint?

If the Settlement is approved, it will result in the dismissal of the class action and the release of all claims against Sprint by Class Members who do not request exclusion, that were or could have been asserted in the Action, including any claims challenging the validity of, or seeking relief in connection with, the ETFs Sprint charged to or collected from Class Members for early contract terminations during the Class Period. The foregoing description of the Class-wide release that will result if the Settlement is approved is only a partial summary. To see the full Release of Claims that will result if the Settlement is approved, please consult the Stipulation of Settlement, which is available at www.SprintCaliforniaETFsettlement.com. To the extent of any inconsistency between that summary and the actual Release contained in the Stipulation of Settlement, the Release in the Stipulation of Settlement controls.

YOUR RIGHTS AND OPTIONS

15. How can I ask to share in the money Sprint will pay to Class Members under the Settlement?

If you are a Class Member who is the Account Holder and you paid one or more of the ETFs charged to you, you may submit a Claim Form. If your Claim Form is valid, complete and accurate, you may qualify for a payment from Sprint of \$125.00 per ETF paid. Claim Forms must be filed by April 25, 2017. They may be filed online. Claim Forms are available at www.SprintCaliforniaETFsettlement.com. Please follow the instructions at that website to file a Claim.

16. Can I file a Claim Form or recover money if I was charged but did not pay an ETF?

No. Only Class Members who were charged an ETF by Sprint or Nextel *and paid it* are entitled to file a Claim Form or recovery money. Class Members who were charged an ETF but did not pay it benefit from the injunction entered by the Court in this Action after the 2008 trial, which prohibits Sprint from collecting any of the portions of unpaid ETFs it imposed on Class Members for contract terminations during the Class Period that had not been collected at the time the injunction was entered. That injunction remains in effect. Sprint has agreed in the Stipulation of Settlement not to ask the Court to lift that injunction.

17. What happens if I do not file a Claim Form?

Even if you do not file a Claim Form, approval of the Settlement will result in the dismissal of the Action and the release of classwide claims as described in Paragraph 14, above.

18. Can I exclude myself from the Settlement?

If you paid the ETFs charged by Sprint, you can exclude yourself from the settlement by sending a letter to the Claims Administrator in this case, **Sprint California ETF Settlement, c/o KCC, P.O. Box 6002, Larkspur, CA 94977-6002**, on or before November 23, 2016. If you exclude yourself from the settlement, you will not receive a payment under the settlement,

but you may retain the ability to proceed individually against Sprint if you wish. You should consult a lawyer to determine what rights, if any, you may have. If you do not timely exclude yourself, you will be bound by the settlement and judgment, whether favorable to you or not.

THE FINAL APPROVAL HEARING

19. When and where will the Final Approval Hearing be held?

The Final Approval Hearing will be held on December 9, 2016, at 10:00 a.m. in Department 21 of the Alameda County Superior Court, located at 1221 Oak Street, Fourth Floor, Oakland, CA 94612.

20. What will the Court consider at the Final Approval Hearing?

The Court will determine whether or not to grant final approval to the Settlement, will rule on any timely and validly filed objections and any responses thereto, and will determine whether and in what amounts to grant incentive awards to the Class Representatives and whether or not to confirm the arbitrator's fee award referenced in Paragraph 12, above.

21. Do I have to come to the Final Approval Hearing to recover money?

No. You are not required to come to the Final Approval Hearing. If you do not exclude yourself from the settlement, you may enter an appearance in this matter through counsel.

22. If I do not like the Settlement, how can I object to it?

Any Class member wishing to object to or to oppose the approval of this Settlement must file a written objection (with a statement of reasons) with the Court and serve it on Sprint and Co-Lead Class Counsel on or before November 23, 2016. Any Class member that fails to do so shall be foreclosed from making such objection or opposition. Objections submitted by non-members of the Class will not be considered. Any Class Member that fails to file a timely written objection and to appear at the Final Approval Hearing shall have no right to file an appeal relating to the approval of this Settlement.

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You have the right to consult and/or retain an attorney of your choice at your own expense, to advise you regarding the settlement and your rights in connection with the settlement and the Final Approval Hearing as described below. You also have the right, either personally or through an attorney retained and paid by you, to seek to intervene and object to the Settlement Agreement.

THE LAWYERS REPRESENTING YOU

23. Do the Class Members have a lawyer in this case?

The Court appointed the law firms of Bramson, Plutzik, Mahler & Birkhaeuser, LLP, of Walnut Creek, CA, Bursor & Fisher, P.A., of New York, NY and Walnut Creek, CA, and Franklin & Franklin, of San Diego, CA, to represent the plaintiffs and all Class Members. Together the law firms are called "Co-Lead Class Counsel." More information about these law firms, their practices, and their lawyers' experience is available at www.bramsonplutzik.com and www.bursor.com.

24. Should I get my own lawyer?

You do not need to hire your own lawyer because Co-Lead Class Counsel are working on your behalf. But, if you want your own lawyer, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you. You will be responsible for paying that lawyer.

GETTING MORE INFORMATION

25. Are more details available?

Visit the website, www.SprintCaliforniaETFsettlement.com, where you will find a Claim Form and other relevant documents in the Action. You may also contact one of the lawyers by sending an email to info@SprintCaliforniaETFsettlement.com, or by writing to: Sprint California ETF Settlement, P.O. Box 30238, College Station, TX 77842-3238. Please do not contact the Court. Please also do not contact Sprint Customer Care regarding this Notice or the lawsuit itself.

DATE: September 23, 2016