Litigation Update

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November 14, 2006

COURT APPROVES SETTLEMENT IN CLASS ACTION CASE

(*Benney v. Sprint Corp.*)

The District Court of Wyandotte, Kansas, approved the settlement in a class action case last week, including the award of $5 million in attorneys' fees to plaintiffs' counsel and $10,000 to each of their five clients. The suit was brought on behalf of current and former Sprint wireless customers, many of whom will receive only prepaid phone cards of nominal value as part of this nationwide class action settlement. WLF filed the objections on behalf of a former Sprint customer as part of its legal reform efforts to curtail abusive class action cases where absent class members often receive little or no compensation or worthless coupons, while class action attorneys reap millions of dollars.

In the consolidated class action cases of *Benney v. Sprint* and *Lundberg v. Sprint*, the plaintiffs' lawyers alleged that Sprint violated several state consumer laws, was unjustly enriched for charging its wireless customers certain Regulatory Fees, and hid a rate increase in customers' monthly billing statements. Sprint denied all liability, but the parties proposed to settle the case by giving class members who filed a claim by July 12, 2006, the option of receiving noncash benefits, depending upon which subclass they belong to, in the form of invoice credits of $5.00 to $19.00, but only if the class member remains or becomes a customer for two years. Alternatively, class members have the option of receiving a Sprint prepaid phone card allegedly worth $2.50 to $14.00, but there was no notice what the per minute rate would be.

WLF argued in its objections that the phone card is of little value and utility to class members who use cell phones, and that class counsel's requested attorneys' fee of $5 million is excessive in light of the meager results obtained in the case. As it turned out, only one percent of those eligible to participate in the settlement submitted claim forms by the short deadline date. WLF argued that the fee should be substantially reduced due to the low claim rate, and that in any event, the fee should not exceed the lawyers' hourly rate. Unfortunately, the court rubber-stamped the settlement and awarded fees that were more than double the hourly rate requested by the plaintiffs' attorneys.

WLF will continue to oppose abusive class action cases where plaintiffs' attorneys seek excessive multi-million dollar fees while class members are short-changed.

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For further information, contact Paul Kamenar, WLF's Senior Executive Counsel, at 202-588-0302. WLF's objections are posted on its website at *www.wlf.org*.