

**IN THE CIRCUIT COURT OF THE 7th JUDICIAL CIRCUIT
IN AND FOR VOLUSIA COUNTY, FLORIDA**

MAYCOM, LLC,

Plaintiff,

v.

T-MOBILE USA, INC. d/b/a T-MOBILE,
and SPRINT SOLUTIONS, INC. n/d/b/a
T-MOBILE,

Defendants.

CASE NO.: 2021-31613 CICI

DIVISION: 31

COMPLAINT

Plaintiff Maycom, LLC (“Maycom” or “Plaintiff”) brings this Complaint against Defendants T-Mobile USA, Inc. d/b/a T-Mobile (“T-Mobile”) and Sprint Solutions, Inc., n/d/b/a T-Mobile (“Sprint”) (T-Mobile and Sprint are each a “Defendant” and collectively “Defendants”) and alleges the following:

GENERAL ALLEGATIONS

INTRODUCTION

1. This action seeks redress for Defendants’ fraudulent, predatory, and anti-competitive conduct. Defendants successfully schemed to use dishonesty and abuse of economic hardships they had created to extract revenue from authorized dealers of their products and services to line Defendants’ and their executives’ respective coffers. Defendants then forced those dealers, mostly small and medium sized businesses run by families or friends, out of the marketplace at unreasonably low values in transactions over which T-Mobile exerted improper influence – all to the detriment of consumers, the local and national economy, fair competition, and the dealers and their employees.

2. Though the Defendants’ wrongdoing is clear, T-Mobile has brazenly refused to address it short of litigation because T-Mobile believes that it has manipulated and weaponized

the commercial and contractual relationship in a way that insulates it from liability. This case is brought by one of the at least twenty (and likely more) dealers who fell victim to T-Mobile's unfair and deceptive pattern and practice, which involves:

- a. Lying (affirmatively and by concealment) to trick dealers into entering into contracts with terms that T-Mobile then misconstrues and misapplies to disadvantage the dealers;
- b. Simultaneously creating economic pressure that left dealers with no legitimate choice, other than insolvency, but to sign T-Mobile's documents – all while providing unreasonably short deadlines to review T-Mobile's documents and allowing no edits to the same;
- c. Cheating the dealers out of promised and anticipated store numbers, compensation, and levels of operation, and diverting compensation to T-Mobile affiliates, and otherwise creating additional financial pressure;
- d. Leaving dealers with no options to stop the bleeding other than a fire-sale to another favored T-Mobile dealer;
- e. Improperly influencing sales prices (with store closures and other tactics) and unreasonably delaying sales approvals to limit the prices and options for legacy Sprint dealers to sell their businesses, which resulted in fire sales to T-Mobile's favored dealers; and
- f. Then attempting to evade responsibility for flagrant illegality with putative releases that are the product of economic duress, compulsion, and surprise, are unsupported by consideration, and are otherwise contrary to law.

3. Using these tactics, T-Mobile shuttered more than 20 small businesses, closed well over 1,000 "doors" (as cellular stores are referred to in the industry), caused thousands people to

lose their jobs, and negatively impacted numerous consumers locally and throughout the United States.¹ The question, then, that T-Mobile's misconduct presents for this Court is whether contracts serve the law by being implements of mutually-agreeable business dealings or whether we have entered into a new business climate in which honesty and ethics do not matter and contracts can undercut the law so long as a Goliath company can twist their terms to cover all manner of sins.

4. Before it encountered T-Mobile's predatory conduct, Maycom had been in business for nearly 24 years and was one of the top Sprint dealers. In a matter of months, T-Mobile unlawfully devastated Maycom's business. When the dust settled, of the 63 stores that Maycom once owned, only 28 remained to be sold at a T-Mobile created depressed value, 4 were given a limited 1 year lease renewal to operate, and 31 stores were shuttered by T-Mobile (and some of those were unlawfully stolen by T-Mobile inasmuch as T-Mobile required Maycom to close them and then T-Mobile reopened them).

5. Maycom, as a former T-Mobile dealer injured by the Defendants and ultimately forced out of business by their scheme, brings this action to preserve the law and to recover for its injury.

PARTIES, VENUE, AND JURISDICTION

6. Plaintiff Maycom is a limited liability company organized and existing under the laws of Florida and with a principal place of business in Volusia County, Florida. Maycom is a family-owned business and was one of the most successful legacy Sprint dealers prior to the Defendants' misconduct.

¹ The harm was especially prevalent to lower credit and rural customers.

7. Defendant T-Mobile is a corporation organized and existing under the laws of Delaware, headquartered in Bellevue, Washington. T-Mobile is one of the largest and most powerful companies in the world.

8. Defendant Sprint is a Missouri corporation with its principal place of business at 6200 Sprint Parkway, Overland Park, Kansas 66251. Sprint was formerly a wireless services provider until it merged into T-Mobile.

9. Over the opposition and expressed concerns of many, and based on misrepresentations to regulators and the public, T-Mobile became the emerging and surviving brand in a \$26 billion all-shares merger with Sprint that left Sprint as a T-Mobile affiliate. The merger closed on April 1, 2020, and T-Mobile discontinued the Sprint brand a few months later.

10. Venue is proper in Volusia County, Florida, because pursuant to Florida Statute § 47.011, Volusia County is the county where the causes of action accrued and where Maycom suffered injury.

11. This Court has personal jurisdiction over Sprint and T-Mobile pursuant to Florida Statute § 48.193 as Sprint operated stores and did substantial business in Florida, and T-Mobile operates and does substantial business in Florida.

12. This Court has subject matter jurisdiction because the matter in controversy exceeds \$30,000, exclusive of interest, costs, and attorneys' fees.

CHOICE OF LAW

13. T-Mobile's Retailer Services Agreements² provide for a Washington state choice of law. But those Agreements should be set aside as fraudulent and otherwise unlawfully and

² The parties executed three Retailer Services Agreements, one for each market or "Area" where Maycom operated retail locations. All three agreements are virtually identical and for the purposes of this Complaint, will be referred to collectively as the "T-Mobile Agreements."

coercively induced. Maycom, therefore, is not bound by the Washington choice of law provision. T-Mobile, however, is estopped from refusing application of Washington law where it is more favorable to Maycom. Without waiving its rights to contest the T-Mobile Agreements, Maycom brings claims under both Washington law and the laws of the states in which it did business and suffered harm.

FACTUAL ALLEGATIONS

A. Background

14. Private and authorized dealers like Maycom commonly sell wireless products, accessories, and services. The dealers generally carry the services and products for a carrier, like Sprint or T-Mobile. Dealer stores are privately owned, but operate under the provider's brand.

15. The dealers are small to medium sized, often family-owned businesses like Maycom, which help support the local economy, lease space for store locations, and provide numerous employment opportunities in the communities in which they are located – a high percentage of which are jobs for minorities and persons of color.³ In fact, approximately 70% of Maycom's employees were minorities and persons of color.

16. Dealers sell wireless plans, cell phones, and cell phone accessories. For each wireless plan they sell, dealers generally receive an initial commission and, thereafter, a monthly "continuing service award" or residual commission. Dealers depend on these initial and residual commissions for their livelihood, to meet payroll, and to pay the leases for their stores. T-Mobile unlawfully and unreasonably cut commissions and residuals already earned by legacy Sprint dealers.

³T-Mobile touts its pro-diversity positions, but contrary to these representations (and the promises it made to be permitted to merge with Sprint), its post-merger decimation of legacy Sprint dealers has resulted in a large loss of jobs disproportionately held by minorities and persons of color and fewer options for members of these communities. It has also cut jobs in, and otherwise harmed, rural communities.

17. The dealers sell services, phones, and accessories at retail store locations. The physical locations for the stores are leased by the dealers. The best dealers find good locations for their stores and provide good customer service to close sales to customers. Dealers undertake a significant financial commitment (and often personal guarantees for their principals) when they lease a store location, and good faith and fair dealing by the carriers (like T-Mobile) is a vital component of the dealers meeting their financial commitments. This fact is well known to T-Mobile, which abused its position of power and did not act in good faith.

B. Maycom Excelled as an Authorized Sprint Dealer.

18. Thomas and Anna Mayman used their life savings to establish Maycom in 1997 and entered the wireless business, opening their first 500-square foot wireless communications store in Florida as a Nextel dealer. In 2005, Maycom became a Sprint dealer after the merger of Sprint and Nextel.

19. Over the years, Maycom excelled as a wireless products and services provider expanding its retail store footprint organically and through acquisitions across Florida and into North Carolina and South Carolina. As a result of Maycom's strong business performance and respect among colleagues, Thomas Mayman served on Sprint's dealer representative council.

20. Around 2013, when Sprint began experiencing financial trouble, other wireless companies approached Maycom, and encouraged it to leave Sprint and join them, but Maycom was committed to being a part of Sprint, even during Sprint's tough times. That loyalty proved to be a one-way street.

21. In early 2014, Marcelo Claire, the founder of Brightstar, joined Sprint's Board of Directors. Later that year he was appointed the new President and CEO of Sprint, and told the principals of Maycom: "The reason you can trust me is because I know what it means to be you; I

have walked in your shoes. The dealers are responsible for nearly 80% of our business, you guys are the ones who will make us win.”

22. On August 7, 2017, Sprint and Maycom executed an exclusive Authorized Representative Agreement (“ARA”). On August 31, 2017, Maycom and Sprint executed an Authorized Representative Agreement Addendum, making the ARA effective for five years with an automatic renewal of another 5-year term. The ARA Addendum removed Sprint’s right to terminate the ARA with Maycom for convenience. This provided Maycom the security of a long term partnership with Sprint and the ability to secure capital for growth.

C. Maycom Expanded its Footprint at Sprint’s Behest.

23. As of January 2018, Maycom had 48 locations. Maycom grew because Sprint wanted it to and because Maycom received related assurances from Sprint that Sprint would facilitate and support Maycom’s growth. Over time, Maycom grew to 63 Sprint stores across Florida, North Carolina, and South Carolina, with over 400 employees.

24. At a dealer summit held on January 29-31, 2018, Sprint heavily encouraged dealers, including Maycom, to grow and add new locations, especially near competitors. During that dealer summit, Sprint announced a goal to “grow distribution, unlike anything we have seen in years.” Members of Sprint leadership told the dealers, including Maycom, “[W]e’re counting on our best partners to deliver on a plan to build over 400 additional doors in new locations. When it’s all said and done, Sprint will have the best real estate in town; near competitors.”

25. After previously declaring that a merger between T-Mobile and Sprint was “dead” and that Sprint was committed to “going it alone,” Sprint leadership encouraged Sprint dealers to grow, specifically targeting Metro PCS and T-Mobile stores. In this way, Mr. Claire tricked Sprint dealers into taking risks that would enable Sprint to enrich itself (to the disadvantage of those dealers) when a merger ultimately occurred.

26. Later, in a national Sprint meeting with dealers in Kansas City Mr. Claire declared, “[T]his merger is a job creator,” a statement he reiterated to the dealer channel on April 30, 2018, adding, “It will create more jobs than jobs that will be lost. We plan to add as many as 100,000 new U.S. jobs in the coming years, and I’m confident this combination will open up opportunities for many Sprint Partners as part of a stronger, more competitive company that will grow.”

27. On May 30, 2018, Jamie Jones from Sprint’s leadership team told Thomas Mayman on a call that there was “no plan for door rationalization and a strong growth partner will have choices.” And given Maycom’s track record of success, Sprint encouraged Maycom to expand in markets that Sprint considered strategic or beneficial to Sprint. During the 4th quarter of 2018, Maycom assisted Sprint by taking over the operations of 10 of Sprint’s struggling stores and subleasing those stores from Sprint (only to have T-Mobile later close all 10 stores after Maycom invested significant amounts of money to hire, train, and operate in these new markets).

28. Maycom opened 14 total new doors in 2018 increasing its store count from 48 to 62. Sprint consistently ranked Maycom as one of its top three dealers in the country in volume per door performance and productivity metrics, and over time, Maycom received the annual Platinum Partners Award every year since the award’s inception for being one of the best Sprint dealers in the country in overall volume and performance.

29. In the lead-up to the merger, Sprint began disadvantaging Maycom. In 2019, Sprint established arbitrary commission incentive targets, which resulted in subsidies to underperforming dealers. When Maycom asked Sprint why its commission incentive targets were so high compared to the rest of the dealer channel, Sprint responded that “Maycom’s productivity per door is certainly greater than that of the rest of the Enterprise. The expectation is that Maycom will

produce twice as much per door vs (the current largest legacy Sprint dealer). Bottom line, Maycom is a victim of its own success

D. While Encouraging Maycom to Expand, Sprint Concealed Its Plans of Merger with T-Mobile.

30. By late 2017, Sprint knew that it would soon be acquired by T-Mobile, but Sprint told Maycom otherwise, assuring Maycom (and other legacy Sprint dealers) that Sprint was “going it alone.” Sprint’s CEO Marcelo Claure specifically made this statement. When Thomas Mayman asked Marcelo during the open session of the meeting what dealers needed to do to be of the most long term value to Sprint, Marcelo’s answer was “grow and invest for the long term.”

31. Sprint concealed the truth about the merger from Maycom (and other dealers) and repeatedly encouraged Maycom to open and acquire new stores, and specifically encouraged Maycom (and other dealers) to open stores that were in close proximity to T-Mobile stores. Upon information and belief, these misrepresentations and concealments were made to protect Sprint’s position in the merger and to increase merger profits for Sprint and its executives in the coming merger.

32. On April 29, 2018, Sprint and T-Mobile announced that they had reached a definitive merger agreement. Maycom immediately asked Sprint the next day about the implications of the merger for Maycom and sought merger protection in light of its recent and rapid expansion at Sprint’s request. In addition, Maycom asked Sprint to explain the inconsistencies and misrepresentations that were made regarding Sprint being committed to independent growth and that dealer growth was critical to the long term vision.

33. On May 30, 2018, Sprint informed Maycom it would provide merger protection to Maycom and stated in the document that “there are no plans to change Sprint’s distribution

strategy” and “Sprint wants dealers to continue to renew leases if doors are productive.” These statements were untrue.

34. The merger “protection” packages, however, came with previously undisclosed conditions and limitations for Maycom. For example, to receive any merger protection for the stores Sprint deemed eligible for merger protection, Sprint would require Maycom to achieve a difficult new-store-opening target. As Sprint leadership told Tom Mayman on a May 30, 2018 telephone call, “[Y]ou can choose to grow to the [new] door requirement, and if [you are] not part of the growth program then no protection.

35. On a call with Sprint’s Jaime Jones, Thomas Mayman stated that there were numerous geographical conflicts with Maycom and T-Mobile stores and if Maycom was to lose a significant number of stores the consequences would be devastating. Jones asked Mayman, “Why do you think doors will not survive? Why are you taking a pessimistic approach?”

36. On June 5, 2018, Sprint sent Maycom the merger protection documents and gave Maycom approximately 48 hours to execute the merger protection contracts.

37. Sprint’s so-called merger protection plan was merely an empty promise that was designed to quiet dealers like Maycom while Sprint and T-Mobile worked out the details of their merger.

38. The merger protection amounts were generally illusory because Sprint conditioned them on agreements that the merger protection payments would be reduced by the net present value of “CSAs” or “residual commissions” (the “NPV CSAs”) due to Maycom for any location that T-Mobile ultimately closed. In many cases for Maycom, the reduction was greater than the merger protection amounts offered.

39. On June 5, 2018, Sprint told Maycom how the NPV CSAs would be computed to determine the residual payout for a closed location.

40. Maycom declined the merger “protection” because: (a) it was already entitled under its contracts to the future payment of CSAs that were generally greater than the merger protection amounts, and (b) Maycom did not want to commit to all of the difficult-to-achieve conditions which made the realization of protection equivocal at best.

41. Maycom was thus at risk from the merger because Sprint fraudulently induced Maycom’s growth and then Sprint withheld the merger protection that Sprint had fraudulently promised. Sprint and its executives, on the other hand, enjoyed the ill-gotten gains of its lies in the form of profits from the merger.

E. Sprint and T-Mobile Merged, and T-Mobile Coerced and Fraudulently Induced Maycom to Enter Into New Agreements Based on False Promises of Growth and Limited Post-Merger Closures.

42. Sprint and T-Mobile finalized the merger on April 1, 2020.

43. To obtain the necessary approvals from the Department of Justice and regulatory agencies, T-Mobile made broad, sweeping promises to the government and to the public that the merger would increase competition in wireless and broadband for consumers, deliver significant benefits to consumers nationwide, result in the opening of 600 or more new retail stores in rural areas and small towns that would create approximately 5,000 new retail jobs, and create thousands of new U.S. jobs directly and indirectly, and that it would not produce anti-competitive behavior. In Marcelo Claure’s written testimony on June 27, 2018 before the Senate Committee on the Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights, Marcelo disingenuously touted the merger as “a procompetitive merger that will benefit American consumers, American workers, and the American economy.”

44. But as the ink was drying on the final merger approval documents, T-Mobile was already implementing an anticompetitive scheme to suppress legacy Sprint dealers, cut stores (thereby reducing jobs), and reduce compensation otherwise payable to the legacy Sprint dealers.

45. **First**, T-Mobile locked dealers into their current positions, which prevented them from having viable options following the merger. On April 10, 2020, T-Mobile and Sprint placed a moratorium on any requests by dealers to sell stores after commercial launch of T-Mobile (expected mid to late summer 2020). T-Mobile and Sprint constantly extended the moratorium, which lasted until November 17, 2020.

46. Despite the moratorium, upon information and belief, T-Mobile approved and allowed two T-Mobile favored dealers to each complete an acquisition.

47. **Second**, T-Mobile imposed massive store cuts, which far exceeded the cuts it had represented would occur. On April 25, 2020, representatives from T-Mobile met with Maycom to present T-Mobile's post-merger dealer strategy as it pertained to Maycom. In the presentation, T-Mobile:

- a. announced the closure of 20 of Maycom's 63 stores (32%), despite previously informing Maycom that closures would remain in the 10-15% range for Maycom;
- b. falsely represented that the store closures were based on extreme proximity to other T-Mobile stores and that T-Mobile was instituting a similar number of closures for legacy Sprint and T-Mobile dealers alike; and
- c. informed Maycom, with only 5-days' notice, that T-Mobile was permanently closing 8 of the 20 stores effective April 30, 2020.⁴

⁴ T-Mobile provided fewer door-closing benefits for Maycom's forced 20 store closures than T-Mobile provides to its T-Mobile dealers under standard T-Mobile Agreements. Notably, T-Mobile cheated and avoided paying

48. Maycom reasonably believed that these closures were the only closures T-Mobile would institute because T-Mobile's dealer strategy presentation to Maycom made no mention of further closures and was intentionally designed to give the impression there would be none.

49. T-Mobile representative Doug Chartier assured Maycom that it was "okay to shrink to regrow" and that T-Mobile wanted "best performers," including Maycom, to be "well capitalized and in good financial position."

50. **Third**, T-Mobile imposed crippling cuts of earned residual commissions as conditions of doing business with T-Mobile. For the putative privilege of being a T-Mobile-branded dealer and selling T-Mobile services, T-Mobile also charged Maycom massive front-end fees totaling to \$1.86 million (before NPV calculation) in the form of withholding residual commissions that Maycom was already entitled to receive. Specifically:

- a. T-Mobile refused to pay and wrongfully withheld Maycom's rightfully-earned CSAs for the stores it required Maycom to close, which totaled \$1.73 million (before NPV calculation).
- b. T-Mobile also deprived Maycom of CSAs worth \$95,686 (before NPV calculation) for a handful of stores that Maycom had closed prior to the merger and for which Sprint had theretofore continued to pay Maycom post-store-closure CSAs.
- c. T-Mobile wrongfully withheld CSAs worth \$24,882 (before NPV calculation) for kiosks in two malls in Florida that Maycom had operated pre-merger.

51. **Fourth**, T-Mobile bullied Maycom into signing unreasonably long contracts that Maycom had no viable economic choice but to sign. On May 5, 2020, T-Mobile sent Maycom the

such benefits by terminating the stores (as they did with other legacy Sprint dealers) before they were governed by the T-Mobile Agreements.

documentation that would require Maycom to wind down its existing agreements with Sprint, enter into three new Retailer Services Agreements with T-Mobile, and submit two individual guarantees executed by Mr. and Mrs. Mayman (collectively the “T-Mobile Agreement Package”). The T-Mobile Agreement Package consisted of 267 pages of legally dense, adhesion contracts, and despite the burdensome nature of the documents, T-Mobile required their execution within 3 days after receipt of the documents. T-Mobile was well aware of the economic reality, namely, that like any other dealer, Maycom had monthly lease, payroll, debt-service and other commitments that it could not meet unless it had an active carrier contract.

52. Notably, T-Mobile had wrongfully forecasted that it would refuse to honor the Sprint contracts T-Mobile had acquired. T-Mobile further advised Maycom that, because Sprint no longer existed, T-Mobile was not obligated to honor or to provide any benefits under the existing Sprint contracts (the ARA and ARA Addendum, which T-Mobile had acquired in the merger and were effective through August 6, 2022) and would not allow Maycom to sell any T-Mobile phones or services unless it signed the T-Mobile Agreement Package.

53. T-Mobile brazenly took the opposite position with respect to Maycom’s burdens under the existing Sprint contracts, stating it would continue to enforce those burdens, including the non-compete, against Maycom until it signed the T-Mobile Agreement Package. In other words, Maycom could lose, but it could not win, and it could stave off ruin only by doing as T-Mobile demanded.

54. Callous to the difficulty it had imposed, and unwilling to negotiate, T-Mobile then rushed the signing of the T-Mobile Agreement Package. On May 7, 2020, Kris Kimmey with T-Mobile sent an email to Thomas Mayman stating that the T-Mobile Agreement Package was due Friday, May 8, 2020. T-Mobile pressured Maycom to sign these documents quickly and

repeatedly emphasized that terms were non-negotiable and that to be a T-Mobile authorized dealer, Maycom must sign these agreements.⁵

55. T-Mobile also stated that if Maycom did not execute the T-Mobile Agreement Package within the arbitrary three-day deadline, T-Mobile would withhold necessary store remodeling funds. T-Mobile required all legacy Sprint dealers, including Maycom, to “refresh” (i.e., remodel) their stores under the new T-Mobile brand and complete the same by July 17, 2020.

56. T-Mobile representatives, including Cody Welker, pressured the principals by fraudulently stating that Maycom was “the only one” not to have signed the T-Mobile Agreement Package, which contained putative releases, through which T-Mobile sought a get-out-of-jail-free card for the lies, coercion, and unfairness that it had perpetrated to that point.

57. Maycom communicated its concerns about the T-Mobile Agreement Package, including: (a) T-Mobile taking the \$1.86 million in CSAs, (b) the limited door closing benefits in the Wind Down Addendum for the 20 store closures only totaling \$332,364, yet the remaining lease liability to Maycom was \$1.1 million plus expenses to close the stores, (c) T-Mobile’s closure of stores Maycom subleased from Sprint and then T-Mobile reopening them without any fair market value consideration for the stores that Maycom invested in and built, and (d) the personal guarantees, which were not only unfair, but also false inasmuch as they indicated that Mr. and Mrs. Mayman wanted to sign them.

58. T-Mobile didn’t care that it was cheating, however, and responded that it does not entertain redlines or make exceptions and all documents were non-negotiable.

⁵Maycom had no legitimate option of suing T-Mobile to avoid signing these Agreements, because, if it did not sign them, Maycom would lack the cash flow from selling wireless services and products that it would have needed to fund litigation against T-Mobile and Sprint, which were, conversely, well capitalized to resist a challenge (and draw it out and punish Maycom). Indeed, T-Mobile has an unlawful pattern and practice of retaliating against dealers that stand up to it.

59. As a practical matter, T-Mobile knew that Maycom had no choice but to sign the new T-Mobile Agreement Package. On May 13, 2020, Scott Keen, who had been promoted to a director at T-Mobile, told Maycom that the only options were to move forward with T-Mobile as a T-Mobile preferred retailer, close the business, or sell it.

60. But Maycom could not close the business without becoming insolvent and remaining liable for lease payments and other recurring expenses, not to mention obligations to Sprint (e.g., non-competition clauses and 180 day chargebacks for customer deactivations). Nor could Maycom sell the business because of T-Mobile's moratorium.

61. Sprint and T-Mobile conspired with its affiliates to further tip the scale in favor of ensuring that Maycom (and other dealers) had no options and ensuring that Sprint and T-Mobile extracted unreasonable payments from those dealers.

62. The conspiracy involved Sprint's affiliate Brightstar, which was a Sprint-preferred vendor of phones and accessories. But it also enjoyed suspiciously close connections to Sprint and T-Mobile. Brightstar was founded by Sprint's former CEO Marcelo Claure, and owned by Softbank, for which Marcelo Claure was also an executive. Softbank, in turn, formerly owned a majority ownership in Sprint, and Mr. Claure served post-merger as the Chairman of T-Mobile's Board. During the onset of the COVID-pandemic, this incestuous T-Mobile-Sprint-Softbank-Brightstar-Claure conglomeration took actions that wreaked havoc on the finances of Maycom (and the legacy Sprint dealers generally).

63. Sprint and T-Mobile imposed additional financial distress on Maycom when they withheld \$5.38 million of Maycom's commissions during March and April 2020 and diverted them to Brightstar.

64. To make matters worse, effective May 4, 2020 (one day before T-Mobile sent the T-Mobile Agreement Package), Brightstar reduced Maycom's device credit facility from \$14.0 million to \$3.5 million and required Maycom to comply with the new credit facility limit and terms. The failure to do so would have precluded Maycom from being a T-Mobile dealer.

65. T-Mobile, Sprint, and Brightstar thus illegally controlled Maycom's free cash flow and ability to maneuver through the merger and destroyed Maycom's ability to purchase future device inventory that was much needed for its stores.

66. Maycom was not able to renew its bank credit facility with all of the uncertainty from the merger, lease renewals, and initial round of 32% of store closures. This combination of circumstances entirely deprived Maycom of the ability to meet its expenses of approximately \$1.95 million per month in real estate lease payments, employee payroll and benefits, payroll taxes, utilities, inventory carrying costs, operating expenses, and debt service in the absence of the ability to sell T-Mobile services.

67. Further, Maycom was contractually required to pay \$7.51 million in future real estate lease obligations, some of which were personally guaranteed by Mr. and Mrs. Mayman. Some of the leases also contained "go dark" penalty provisions.

68. Under such distress, which was T-Mobile's fault, Maycom had no alternative to signing the T-Mobile Agreement Package other than going bankrupt and losing the family, generational business that had existed for 23+ years.

69. Even then, prior to executing the T-Mobile Agreement Package, Maycom directly asked whether T-Mobile would institute any additional rounds of store closures and what the future of the surviving locations was with uncertainty hanging over the lease renewals.

70. T-Mobile assured Maycom there would not be another round of closures announced in 2020, and none of T-Mobile's strategic operating and merger plans shared with Maycom for 2020 disclosed any future store closures in 2020 prior to the signing of the T-Mobile Agreement Package.

71. According to T-Mobile's representatives, the closures that T-Mobile had actually disclosed were part of a "shrink to grow" strategy, pursuant to which T-Mobile would close – on a fair and reasonable basis – stores that were in close proximity to one another and then allow dealers, like Maycom, to grow by adding new locations in new areas with the intent of having T-Mobile dealers scale to 100 stores over time.

72. Indeed, multiple different T-Mobile representatives repeatedly assured Maycom that T-Mobile would facilitate expansion and growth by Maycom.

73. T-Mobile knew – but concealed from Maycom – that it would only be allowed to shrink, but never grow, unless a dealer was a favored T-Mobile dealer. As Maycom was not a favored legacy T-Mobile dealer, Maycom experienced a mandated "shrink, but not grow" strategy forced by T-Mobile, and T-Mobile intentionally planned and structured the Wind Down Addendum⁶ and other pre- and post-merger activities to put Maycom and other small family-owned dealers like Maycom in a position that they could not grow.

⁶ The Wind Down Addendum was ridiculously one-sided. It provided limited "door closing benefits" (the door closing benefits were far less than provided for under the T-Mobile Retailer Services Agreements for legacy T-Mobile dealers and much less than the \$1.1 million of lease obligations Maycom had for these closed stores plus the costs to close such stores) for stores (referred to in the business as "doors") that Maycom did not want to close, continued to chargeback for customer deactivations at these doors for 180 days after the required closure date, and disproportionately took away benefits for those stores that Maycom had always enjoyed under the Sprint Agreements. For example, the Wind Down Addendum robbed Maycom of continuing service awards ("CSAs" or "residuals") for the doors, which were monthly amounts received by dealers for each wireless service agreement contract they sold to a customer which totaled \$1.86 million for Maycom over the remaining CSA term for these door closures before any net present value calculation. Under Sprint, Maycom received residuals for a customer sale at a location even after that location closed. Under T-Mobile's requirement that the Wind Down Addendum be executed to be a T-Mobile dealer, Maycom did not.

74. Upon information and belief, at that time T-Mobile knew that it would make multiple additional closures of Maycom stores and there would be additional rounds of closures, and T-Mobile fraudulently concealed this fact from Maycom.⁷

75. On May 13, 2020, during a call with T-Mobile representatives Scott Keen and Cody Welker, Mr. Keen asked Mr. Mayman “are you going to not sign the contract because of these items [CSAs not being paid for the closing stores, remaining lease liabilities for the closing stores, T-Mobile closure of the Maycom subleased doors from Sprint, and the personal guarantee]?” Mr. Keen later stated to Thomas Mayman, “[I]f no signed contract, then [T-Mobile] won’t ship equipment” for the stores to convert to T-Mobile and Maycom “can’t get paid the \$10,000 [store remodeling] incentive until signed.”

76. During that same call with Messrs. Keen and Welker on May 13, 2020, Mr. Mayman was told that Maycom was “mutually agreeing to terminate” the Sprint agreement, such that there would be no path to payment of the CSAs; however, there was no voluntary agreement from Maycom – rather its survival depended on capitulating to T-Mobile’s unfair mandate.

77. Maycom signed the T-Mobile Agreement Package on May 14, 2020, under the economic and social duress created by T-Mobile and based on T-Mobile’s fraudulent misrepresentations that it would not engage in another round of closures and T-Mobile’s concealment of the truth, which was indeed the opposite. The signed documents included the T-Mobile Agreements, the Wind Down Addendum, and the personal guarantees of Maycom’s principals.

⁷ Upon information and belief, T-Mobile disregarded the advice of the real estate advisors upon which it normally relied in deciding which stores to slash.

78. Only two weeks later, on May 28, 2020, T-Mobile took advantage of its new, forced contractual relationships, when T-Mobile placed on hold all dealer lease renewals and/or approvals until November 17, 2020, effectively causing (a) lessees to acquire holdover status and forcing Maycom to pay the holdover rent because T-Mobile refused to pay the holdover rent, (b) Maycom to miss lease renewal notice periods and pre-negotiated lease renewal rates, and (c) leases to go into default and month-to-month status with landlords now looking for new tenants to replace Maycom. T-Mobile provided no strategic support to Maycom to negotiate the leases with the landlords and allowed Maycom to continue suffering financially with no assistance after requesting assistance from T-Mobile.

F. T-Mobile Agreements Were Unduly Oppressive, Particularly Given T-Mobile's Unreasonable Interpretations To Create Truly Oppressive Terms.

79. The T-Mobile Agreements provide for five year terms. T-Mobile represented that it was providing Maycom with a 5-year agreement instead of the 6-month agreement it was offering other legacy Sprint dealers because Maycom was a top performing dealer. The reality, however, was that T-Mobile needed longer to dismantle dealers in the 5-year category, and the longer term created a longer period of obligations (non-competes and guarantees) for certain dealers like Maycom to reduce the likelihood of competition with T-Mobile.

80. The T-Mobile Agreements provide that the parties can only terminate them for material, uncured default and failure to cure. T-Mobile interpreted the agreement to mean that it could evade this provision by relying on other provisions of the agreement to effectively terminate Maycom's business without any uncured default by Maycom.

81. The T-Mobile Agreements provide that a party can close a Maycom store for any reason or no reason with at least 120-days' written notice. They go on, however, to limit this right for Maycom to situations in which T-Mobile approves. The plain language, purpose, and intent of

the provision was to allow for one-off closings of stores that were not performing well or were inconvenient to operate. However, T-Mobile adopted an untenable and unethical interpretation of the provision, namely, that T-Mobile could make a round of closures under the provision for T-Mobile's sole benefit. No rational or fair person could interpret the agreement this way, as the prior need for a Wind Down Addendum to address significant closures indicated.

82. Growth was entirely in the hands of T-Mobile, which gave itself sole discretion to approve or reject new store locations as well as the renewal of any existing store locations. In essence, such a provision tied Maycom's future to T-Mobile's good faith, which, it turned out, would be non-existent.

83. The T-Mobile Agreements also contain a broad covenant not to compete, which applies during the term of the Agreement and for 1-year afterwards and prohibits not only Maycom, but also its principals and owners, and any successor entity, from competing with T-Mobile or its dealers in virtually any capacity. Stated differently, T-Mobile closed all of the exit doors for any dealers who did not want to endure its ruinous activity; it impeded the free alienation of businesses and stifled legitimate competition in the marketplace.

84. The T-Mobile Agreements (and the Sprint Wind Down Addendum) also greatly reduced Maycom's compensation, depriving it of, among other things, CSAs it had earned and created a less profitable platform than the Sprint agreements it had supplanted.

85. The T-Mobile Agreements (and the Wind Down Addendum) also purported to include releases. However, as indicated above, those releases are completely invalid because they were the product of fraud, coercion, and overriding economic distress created by T-Mobile.⁸

⁸T-Mobile had a pattern and practice of applying financial and other pressure to sign releases. Upon information and belief, T-Mobile even sent them to low-level managers and were constantly applying pressure to

86. If it truly had choices and had awareness of the lawlessness T-Mobile would seek to impose under guise of these putative contracts, why would any rational person sign such agreements?

G. T-Mobile Engaged in a Pattern and Practice of Anti-Competitive Behavior and Suppression Efforts to Destroy Maycom and Instituted Additional Closures Despite Representations to the Contrary.

87. Shortly after the Sprint-T-Mobile merger, T-Mobile began engaging in a litany of anti-competitive, unfair and deceptive behavior aimed at driving Maycom and other legacy Sprint retailers out of the marketplace.

88. T-Mobile unlawfully weaponized the commercial relationship and used the T-Mobile Agreements' terms to unfairly disadvantage Maycom when it, without limitation:

- a. Required Maycom to sign the Sprint Wind Down Addendum concurrently with the T-Mobile Agreements;
- b. Closed 20 of Maycom's 63 stores (32%) despite representing to Maycom that its closures would remain in the 10-15% range and there would be a similar number of closures for legacy Sprint and T-Mobile dealers;⁹
- c. Terminated all 10 Maycom operated locations previously subleased from Sprint, and then reopened 5 of those locations in its [T-Mobile's] name and in all cases compensated Maycom just \$14,500 per store;¹⁰

dealers to sign such items as part of an obvious attempt to tie up loose ends and to try to avoid – under duress and without adequate consideration – consequences for fraudulent, unfair, and anti-competitive conduct.

⁹ Maycom's future real estate lease obligations for the 20 closed stores was \$1.1 million plus the store closure expenses, while the door closing benefits paid under the Wind Down Addendum were only \$332,364.

¹⁰ Sprint had established a written average value of \$199,631 per store for just the furniture, fixtures, and equipment. For the 5 stores, T-Mobile refused to even interview the former Maycom employees to work in the stores they confiscated in spite of the fact many of them had relocated at Sprint's request to staff the market. All of these employees, the majority of which were minorities, lost their jobs.

- d. Devalued 30 of Maycom's 43 remaining stores on July 25, 2020 by labeling 22 stores as high risk to close and 8 stores as medium risk to close within 1 month after Maycom's request for approval to sell the business and within 3 months after the 20 store closures announced on April 25, 2020, which left only 13 stores of the 63 (21%) with any value;¹¹
- e. Closed 11 of Maycom's 43 remaining stores and provided a limited lease term renewal of 1 year for 4 stores effectively reducing Maycom's store count from 63 to 28 on November 17, 2020;¹²
- f. Limited 5 year lease renewals to only 1 to 2 of Maycom's 28 remaining locations, which further devalued the sales price;
- g. Changed the store closure list and lease renewal terms provided to Maycom for the benefit of the buyer of Maycom's business after the sale price was established and the sale closed;¹³
- h. Systematically closed Maycom's stores at ridiculously high, unfair, fast, and unforeseeable (to Maycom) percentages that it effectively drove Maycom into financial hardship with no choice to fire sale the business or go out of business;
- i. Cut stores in large geographies in a manner that made it nearly impossible for Maycom's district managers to reasonably operate in those geographies;

¹¹ Twenty-seven of the 30 stores labeled high risk and medium risk to close were identified as rural stores by T-Mobile.

¹² Thirteen of the 15 negatively affected stores were identified as rural stores by T-Mobile.

¹³ T-Mobile changed the store status from closed to a 2-year renewal for 1 location, increased the lease renewal term from 1 year to 2 years plus for 4 locations with a 1-year renewal, and increased the renewal term to 5 years for other locations.

- j. Kept Maycom's earned CSAs or residuals for closed stores which amounted to \$1.86 million before any net present value calculation of customer deactivations;
- k. Reduced Maycom and other legacy Sprint dealers earned CSAs or residuals by 4% for urban locations and 3% for rural locations and spreading the term from 3 years to 5 years, which effectively reduced Maycom's monthly CSA or residual payments by roughly \$70,000 per month and provided more time for CSAs to be reduced on the backend with customer deactivations;
- l. Continued to chargeback for customer deactivations for 180 days for the 20 stores T-Mobile closed while simultaneously confiscating all earned CSAs or residuals payable to Maycom for these same stores;
- m. Held all store lease renewal decisions effective May 28, 2020 until November 17, 2020 causing Maycom to incur holdover rent penalties (T-Mobile refused to assist with the holdover rent increases), lease defaults, and missed lease renewal notice deadlines which had fixed renewal pricing;
- n. Provided deficient or no signage for the stores after the merger, initially providing only a banner which was far less effective than real signage at encouraging customer traffic;¹⁴
- o. Took control of internet marketing for Maycom, but then impaired Maycom's search engine optimization at the outset such that customer internet searches for T-Mobile produced hits for legacy T-Mobile stores, but not Maycom, and only

¹⁴ T-Mobile left 2 inline mall locations without any signage for months while the competing T-Mobile stores in those malls had signage, violated city sign ordinances requiring the landlord to take down the banners resulting in fines and causing stores to go without any banners or signage, and failed to replace monument and street signs for 4 stores for months after they were to be replaced.

persons looking for Sprint (which had been merged out of existence) were directed to Maycom;¹⁵

- p. Refused to provide real-time or timely sales reporting, one of the single most important sales drivers in the retail mobile services and accessories business, which impaired Maycom's ability to gauge its financial and operational success in real time and its ability to prevent returns that undermined sales efforts;
- q. Sent corporate T-Mobile "ambassadors" to Maycom stores who told Maycom employees that the stores were going to be bought out or closed and encouraged those employees to apply for jobs at T-Mobile corporate stores;
- r. Prevented Maycom from (i) upgrading its own customers to new services or products and (ii) adding new lines for its own customers as T-Mobile's established credit class and standards for these customers required the customers to make higher down payments, many of which customers could not afford, causing low conversion rates and lower performance rankings, and disenfranchising a whole economic demographic of former Sprint customers in spite of both Mr. Claire's and T-Mobile CEO, John Legere's promises to the contrary;
- s. Forced Maycom and other legacy Sprint dealers into an accessory consignment model confiscating the majority of profit associated with accessory sales resulting in a devastating reduction to gross profit, EBITDA, and business valuation;
- t. Dramatically undersupplied Maycom with device inventory causing high volume stores to be without customer desired and promotional devices to sell;

¹⁵ For 7 months after the merger, only 9 of Maycom's 43 stores locations showed in Google search results when a search for T-Mobile and the store's city was searched and of those 9 locations most showed at the bottom of the search.

- u. Acted inconsistently with its T-Mobile's prior (fraudulent) representations about the number of Maycom rural stores that would be eligible for a per-store monthly SPIFF commission by providing "updated" store designations only after the T-Mobile Agreement package was signed;¹⁶
- v. Shared dealer sales data of purchase prices and purchase prices per door with select dealers and manipulated the free market through unreasonably withholding sales consent, thereby (1) dramatically reducing the prices that Maycom could receive for selling its locations to other dealers when T-Mobile's misconduct was driving Maycom out of the marketplace, (2) improperly reducing the number of viable, successful dealers who could purchase Maycom's assets, and (3) encouraging T-Mobile-preferred dealers to offer artificially low prices for stores being offered for sale by Maycom and other dealers;
- w. Delayed approval of the Maycom sale to a legacy Sprint dealer for 5 months while destroying the value of Maycom's business during that time reducing the sales price by \$6.0 million;
- x. Colluded to limit the number of dealers to whom Maycom can sell its business in 2020 to only 2 dealers;
- y. Required stores with a 3-year plus renewal to remodel at significant cost, this reducing the sales price for the buying dealer;
- z. Engaged in other actions and inactions that demoralized Maycom's ownership, management, and staff; and

¹⁶ Having previously represented that 39 stores would qualify for this spiff, T-Mobile reduced the number to 12 stores resulting in a net disadvantage of \$40,500 per month.

aa. Otherwise engaged in oppressive, fraudulent, and unconscionable conduct.

89. T-Mobile knew what it was doing. On July 23, 2020, 2 days before T-Mobile sent Maycom the list of high/medium/low risk stores to close, Carlos Morais sent an email to Mr. Mayman stating, “[W]e fully understand that some of the recent changes to our credit have put some pressure on your overall business and ability to achieve target.”

90. T-Mobile was completely aware that it had eliminated Maycom’s stores while simultaneously prohibiting Maycom and its principals from opening stores for a competing carrier (because the fraudulently induced Retailer Services Agreements broadly prohibited competition). Consistent with its intent and design, T-Mobile’s anti-competitive, unfair, and deceptive conduct also ensured that Maycom’s remaining stores would not operate at the levels they did prior to the Sprint-T-Mobile merger.

91. And after the damage was done, T-Mobile accidentally acknowledged the truth. Prior to Maycom executing the Wind Down Addendum and Retailer Services Agreements with T-Mobile, T-Mobile and Sprint stated that a dealer’s performance would be “the number 1 factor” for T-Mobile’s future plans. But with its unreasonable and one-sided Agreement in place, T-Mobile representative Doug Chartier admitted the truth during a post-merger call, stating: “T-Mobile only acquired Sprint for its network assets, not real estate or dealer distribution.” This was a new, completely different, and contradictory message than any that T-Mobile or Sprint had previously communicated.

H. T-Mobile’s Unlawful Conduct Pressured Maycom to Exit a Business in Which it Had Flourished For Nearly 24 Years.

92. Before they were forced to do business with T-Mobile, Maycom’s principals intended to either grow or maintain Maycom as a closely-held, essentially family business or to

grow the business and sell it for a multiple of adjusted EBITDA comparable to other T-Mobile and Sprint dealers multiples prior to the merger. T-Mobile ruined either path for Maycom's future.

93. Once it became clear that T-Mobile's actions would make it difficult and virtually impossible for Maycom to survive, let alone succeed or grow, Maycom had little choice but to exit the marketplace and sell its remaining business.

94. Even at this stage, T-Mobile tied Maycom's hands: Maycom could only sell to two T-Mobile-approved buyers, and T-Mobile threatened Maycom that if Maycom attempted to sell to a dealer other than those two buyers, Maycom's request for approval of sale would go to the "bottom of the pile" and that Maycom would not receive the same approval process that other dealers were getting from T-Mobile. Upon information and belief, T-Mobile reduced the buyers T-Mobile would approve for Maycom and encouraged these two specific buyers to acquire Maycom's assets by representing they could do so at a far lower price than those assets were worth. But, under its contract, T-Mobile cannot unreasonably withhold consent to dealer sales.

95. On May 21, 2020, Maycom and a T-Mobile-approved buyer (the "Buyer"), which later employed then-T-Mobile employee Jonathan Blood, agreed to the terms of an Asset Purchase Agreement. The sale price reflected the massive damage T-Mobile had done to Maycom's business.

96. On May 28, 2020, T-Mobile placed a hold on all dealer lease renewals creating intentional uncertainty with the length of future lease renewals. The contractual basis for T-Mobile doing so is unapparent.

97. On June 12, 2020, the Buyer unfavorably reduced their purchase price to Maycom to reflect contingencies for the length of time the stores remain open. On June 26, 2020, Maycom and the Buyer executed an Asset Purchase Agreement ("APA"), with the total value of the payment

to Maycom being partially contingent on Maycom's stores remaining open for a certain period of time.

98. On June 29 and 30, 2020, Maycom sent T-Mobile requests to approve the sale. Maycom specifically requested approval by August 1, 2020.

99. On July 14, 2020, Mr. Blood stated on a call to Maycom that (a) T-Mobile dealer financial services had approved the acquisition, (b) Michael Sentowski with T-Mobile was reviewing the purchaser's financial statements, (c) Doug Chartier with T-Mobile is the ultimate approver, (d) T-Mobile is going to provide a high risk and low risk door count (this was the first indication that there might be another wave of closures), (e) T-Mobile's official approval should come by the end of next week or August 1, 2020, and (f) the acquisition will close no sooner than September 1, 2020.

100. On July 25, 2020, less than one month after Maycom requested to sell its remaining 43 stores, and 3 months after the 20 store closures, T-Mobile sent an email to Mr. Mayman that stated "per the updated A&A process that New T-Mobile launched in Q3 of 2020, we are providing you with your Low/Medium/High Risk closure locations. After reviewing your list and completing negotiations with the other Party involved in this A&A, New T-Mobile will require an updated or finalized Letter of Intent and/or Bill of Sale." Maycom's acquisition approval request was submitted during Q2 of 2020 and Maycom was not aware of an updated A&A process that New T-Mobile launched in Q3 of 2020.

101. The "Low/Medium/High Risk closure locations" T-Mobile assigned to Maycom's 43 remaining locations consisted of 22 high risk closure stores, 8 medium risk closure stores, and 13 low risk closure stores. Thirty of the 43 (70%) Maycom stores were identified as high to medium risk to close, which further destroyed the already ruined business valuation and sales price

of Maycom as only 13 of the 63 stores (21%) as of the merger date were deemed low risk to close by T-Mobile. Also, of the 30 high to medium risk stores to close, 27 of those stores were considered rural stores. Having previously promised through Scott Keen, Cody Welker, Doug Chartier, and Tracey Nolan that the closures represented in the Wind Down Addendum represented a “rip the band aid off approach” and that Maycom should not expect another wave of closures, T-Mobile now proposed that only 13 of the original 63 locations were safe from closure.

102. On October 26, 2020, Maycom’s principals emailed T-Mobile representatives, requesting T-Mobile to approve the APA by October 31, 2020, a date which had implications under the APA.

103. Instead of approving, on November 17, 2020, T-Mobile retaliated by providing Maycom a second round store closure list along with lease renewal terms for some of its other locations, which negatively impacted at least 15 stores (11 closures and 4 short-term, one-year leases). Only 10 stores received mid- or longer-term leases (and purportedly related mandatory up-fitting costs), and 18 stores received no decision regarding their future.

104. Upon information and belief, T-Mobile was aware that the number of Maycom stores remaining open directly correlated with the amount the Buyer would pay Maycom under the APA. During the months leading up to the closing of the APA, T-Mobile undertook efforts to devalue Maycom’s business.

105. T-Mobile’s conduct further reduced Maycom’s already destroyed value by approximately \$6 million.

106. Exasperated by the devaluation, Maycom contacted T-Mobile. On November 18, 2020, Doug Chartier from T-Mobile called Mr. Mayman and stated that Maycom was limited to 2 possible buyers for the company (the Buyer and one other) which T-Mobile would approve, and

Maycom would not get the same approval process for any other buyers. Any deals with other buyers would “go to the bottom of the pile” for review. Mr. Chartier went on to describe how the T-Mobile process works and that selling dealers could select two and at the very most three dealers to negotiate with and on no account was there to be anything like a bidding war that might increase values for the selling dealer. In Maycom’s case the choice was simple, the two buyers T-Mobile had identified or an unreasonably long review and approval process.

107. Upon information and belief, the 2 preferred dealers knew of their position because one of them employed a former T-Mobile executive, and the other threatened Mr. Mayman by saying he was the only one allowed to buy Maycom and he could “make [Maycom live to regret not doing a deal with him.” Upon information and belief, that was a dealer who was allowed to complete acquisitions during the putative moratorium.

108. On November 22, 2020, Maycom’s principals emailed T-Mobile’s Doug Chartier an amended APA along with the Buyer’s request that T-Mobile approve the amended APA by November 30, 2020, with the amended APA to close on December 31, 2020. After Maycom requested T-Mobile to approve the transaction four times over the span of four months, on November 30, 2020 T-Mobile provided the Buyer verbal approval and on December 1, 2020, T-Mobile approved Maycom’s APA with the Buyer.

109. But T-Mobile decided to take one last shot at Maycom: on December 17, 2020, T-Mobile provided Maycom an Assignment and Assumption Agreement which contained a putative general release of claims which was required for Maycom to sell the business. This release had not been discussed previously and no new consideration was offered for it. Further, it was not a valid condition of conveyance or a reasonable basis for withholding consent as the T-Mobile Agreements required.

110. Indeed, T-Mobile intentionally waited to spring the release on Maycom until just prior to the scheduled closing of the sale, knowing that Maycom could not afford to refuse to sign the release and risk losing the deal.

111. Maycom has since learned that T-Mobile has a pattern and practice of rolling-out putative releases that it always sends after the dealer is in no position to stop the sales transaction (which T-Mobile has already promised it will approve). Here, among other reasons, Maycom had no choice because: (a) already diminished by T-Mobile's unlawful conduct, Maycom lacked funds to pursue litigation against T-Mobile, (b) related employee terminations or transitions and lease arrangements were already underway and were past the point of unwinding, (c) Maycom now faced the Buyer who had rights against Maycom if it halted the approved transaction which included Maycom having to pay the Buyer significant liquidated damages, which T-Mobile knew, (d) Maycom would have to incur the costs to close another 11 locations, (e) Maycom would have to try to get millions of dollars on bank credit to remodel the stores with 3-year-plus renewals, and (f) Maycom was substantially likely to go out of business but-for the sale based on the sales process already being in motion following T-Mobile's verbal approval.

112. For no consideration and under business compulsion and financial duress created by T-Mobile, Maycom was forced to sign the Assignment and Assumption Agreement, without which T-Mobile would not approve the same. Thereafter Maycom and the Buyer closed the APA on December 31, 2020 for the further depressed value.

113. To make matters worse, after the sale, T-Mobile changed the store closure list and lease renewal terms provided to Maycom for the sole benefit of the buyer of Maycom's business after the sale price was established and sale closed.

I. Sprint, and Then T-Mobile, Maintained a Mislabeled Franchise Arrangement with Maycom.

114. Prior to the Sprint-T-Mobile merger, Sprint's relationship with T-Mobile was a mislabeled franchise relationship.

115. Sprint's agreement with Maycom included a false statement that the relationship was not a franchise.

116. After acquiring Sprint in the merger, T-Mobile unlawfully terminated the franchise with Sprint.

117. Thereafter, T-Mobile's relationship with Maycom was a mislabeled franchise relationship.

118. T-Mobile's Agreement with Maycom included a false statement that the relationship was not a franchise.

119. Both Sprint and T-Mobile engaged in unlawful conduct directed at Maycom that constituted violations of applicable law.

120. Both Sprint and T-Mobile granted Maycom and its locations the right to offer, sell, or distribute goods and services – specifically Sprint and T-Mobile wireless services and associated cellular phone products – under a marketing plan or system prescribed in substantial part by Sprint and T-Mobile.

121. That marketing plan included, without limitation, sales of Sprint- and T-Mobile-branded goods and services through a network of independent authorized retailers, of which Maycom was one, established by Sprint and T-Mobile in territories established by Sprint and T-Mobile to create a distribution grid for Sprint and T-Mobile. Maycom and other dealers were required to invest and take on substantial risk to commit them to the retailer and distribution programs established by Sprint and T-Mobile. Further, after the merger, T-Mobile forbade

Maycom from making independent sales of accessories, which reduced Maycom's profitability by hundreds of thousands of dollars (approximately \$400,000) on a monthly basis.

122. Maycom's operation was substantially associated with the trademarks, service marks, trade names, advertising, or other commercial symbols designating, owned by, or licensed by Sprint, T-Mobile, and their affiliates. Indeed, to a customer visiting a Maycom store, the store appeared to be a Sprint- or T-Mobile-owned store because of the extensive Sprint or T-Mobile signage, branded marketing materials, and their logos appearing on the employee uniforms -- all of which were mandated by Sprint and T-Mobile.

123. Maycom was required to pay to Sprint, and then to T-Mobile, directly or indirectly, franchise fees. Those franchise fees included, without limitation:

- a. confiscated CSAs totaling \$1.86 million (before NPV calculation) to which Maycom was rightly entitled as a condition of Maycom doing business as a T-Mobile retailer;
- b. improper and unauthorized chargebacks against Maycom's commissions due from Sprint and T-Mobile;
- c. the improper withholding and reduction of Maycom's earned CSAs or residuals post-merger including but not limited to the \$1.86 million (before NPV calculation) of unpaid CSAs earned by Maycom wrongfully withheld by T-Mobile for the closed locations;
- d. the forced-purchase of furniture, uniforms, services, software licenses, phones, and accessories from Sprint- and T-Mobile-selected vendors, including Granite Communications, Shoppertrak, Chatterspot, PreCash, TimeTrade, Airwatch, and Brightstar (Sprint's affiliate), which vendors, upon information and belief, provided

these goods and services to Maycom at a substantial mark-up that was directly passed on to Sprint or T-Mobile;

- e. the assessment of charges labeled as “penalties”, “fees”, or “fines” or reductions against commissions for items such as missed training for employees, improper training charges for employees who attended training or canceled timely, per employee training fees for training sessions with less than a 90% completion rate, staff shortages, early device activation, or findings in audits conducted by or on behalf of Sprint or T-Mobile;
- f. the required surrender of returned phones to Sprint or T-Mobile without any return to Maycom for any phones Sprint or T-Mobile charged or offset Maycom commissions;
- g. Sprint’s and T-Mobile’s receipt of funds from vendors in return for allowing those vendors to advertise in Maycom stores;
- h. charges to Maycom for missing accessories and devices or demos, which charges, upon information and belief, are in excess of T-Mobile’s cost;
- i. markups on co-op shipping fees, uniforms, and required vendors;
- j. co-op processing fees; and
- k. backend charges for co-op purchases.

124. Both Sprint and T-Mobile failed to properly register as required for franchise relationships and abused the franchise relationship with Maycom. Further, Defendants unlawfully terminated the Sprint franchise to Maycom when they created the less favorable T-Mobile franchise relationship.

J. T-Mobile is Liable for Sprint's Unlawful Conduct.

125. T-Mobile (or a parent company of T-Mobile) is the successor entity or parent of Sprint.

126. As the acquiring entity, T-Mobile is liable for action or inactions of Sprint occurring before or in connection with the Sprint-T-Mobile merger.

127. Further, as between Sprint and T-Mobile, there was a commingling of property rights or interests, and it was apparent that they were intended to function as one, and, further, to regard them as separate would aid the consummation of a fraud or wrong upon others.

128. Moreover, Sprint and T-Mobile conspired together and aided and abetted one another to perpetrate the unlawful and wrongful actions and inactions that are the subject of this Complaint.

K. The Putative Releases Contained in the Sprint and T-Mobile Contracts are Unlawful.

129. T-Mobile forced involuntary releases in all of its contracts, specifically the Wind Down Addendum to the Sprint Authorized Representative Agreement between Sprint and Maycom, the T-Mobile Agreements, and the Assignment and Assumption Agreement between Maycom, the Buyer, and T-Mobile. These releases are unlawful as a matter of law.

130. All releases lack consideration. For the Wind Down Addendum and the T-Mobile Agreements, T-Mobile compelled Maycom to forego its existing Sprint contractual benefits and withheld \$1.86 million of Maycom's earned CSAs (before NPV calculation), but enforced its obligations. For the Assignment, T-Mobile had already given verbal and written approval to sell. The subsequent, last-minute releases, which were not proper requirements offered nothing additional for Maycom, the selling dealer.

131. T-Mobile acquired all releases by exerting illegal pressure on Maycom to execute them, making the releases unlawful. For the Wind Down Addendum and the T-Mobile

Agreements, T-Mobile failed to honor its commitments under the Sprint contracts but intended to hold Maycom to its non-competition, chargebacks, and other obligations. Maycom had \$7.51 million of dollars in contractual obligations for lease payments (some leases which contained personal guarantees) and millions more in monthly expenses and contracts such as employee wages and benefits, employee payroll taxes, utilities, operating expenses, inventory carrying costs, and debt service, and it faced a simple choice: sign T-Mobile's adhesion contracts or go bankrupt. Similarly, for the Assignment, T-Mobile held it until December 17, 2020 for the sales transaction closing on December 31, 2020, which sales transaction had liquidated damages payable by Maycom to the Buyer if the sales transaction did not close after T-Mobile's approval was provided (which approval was provided verbally on November 30, 2020 and in writing on December 1, 2020). In addition, related employee terminations or transitions and lease arrangements were already underway and would need unwinding. T-Mobile's modus operandi was to (1) first verbally approve dealers' sale of assets, like it did with Maycom, and (2) wait until the last minute to spring the release, at which point, and T-Mobile knew, Maycom would be in no position to stop the sales because it had made extensive final decisions such as employee terminations or transitions and lease arrangements, and Maycom faced a buyer who had rights against it if it halted the transaction. Like the initial release, here too, Maycom's choices were insolvency or fold to T-Mobile's unfair demands.

132. T-Mobile induced all releases by fraud. T-Mobile affirmatively misrepresented its intentions (and hid its true intentions) regarding store closures, lease renewals, growth, commissions, rural SPIFF payments, and support from the outset and then colluded and unreasonably engaged in anti-competitive behavior that destroyed Maycom's business. Then, after devastating these businesses, T-Mobile continued to conceal the fraudulent nature of its

conduct while demanding a release (which it misrepresented as a condition it could impose). T-Mobile unlawfully acquired all releases.

133. Due to the Defendants' actions and inactions, Plaintiff has been forced to retain the undersigned attorney and is obligated to pay a reasonable fee therefore.

134. All conditions precedent to the filing of this action have occurred or have been waived.

135. Plaintiff intends to seek leave to plead punitive damages, for the applicable counts, pursuant to Section 768.72, Florida Statutes.

CAUSES OF ACTION

FIRST CLAIM FOR RELIEF: FRAUD AND FRAUDULENT INDUCEMENT

136. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

137. T-Mobile knowingly made the false representations to Maycom that it would not subject Maycom to another significant reduction of its stores after the initial closure of 20 of its 63 stores and would allow Maycom to expand and grow.

138. T-Mobile further concealed its plans to massively cut Maycom's number of locations, identify 30 of its remaining 43 stores as high to medium risk to close less than one month after submitting a request to sell the business and within 3 months after the initial round of 20 store closures, suppress its ability to succeed, and stifle its growth.

139. These representations and concealments were material and false.

140. Maycom entered into the T-Mobile Agreements based on T-Mobile's representations that it would not subject Maycom to additional store closures.

141. T-Mobile knew that the representations were false and it acted in reckless disregard as to the truth or falsity of the representations.

142. T-Mobile knew at the time it made the representations that it intended to close an unreasonable percentage of Maycom's stores within the first 6 months of the T-Mobile Agreements.

143. T-Mobile made these misrepresentations and concealments of material facts with the intent to deceive Maycom, and they were made as a material inducement to Maycom to enter into the T-Mobile Agreements.

144. Maycom was deceived by the misrepresentations and would not have entered into the T-Mobile Agreements for the agreed-to consideration but for the misrepresentations.

145. Maycom could not have learned the true facts through reasonable diligence, and as a result, its reliance on T-Mobile's misrepresentations was justified and reasonable.

146. T-Mobile's fraudulent misrepresentations and concealments of material fact induced Maycom to forego the more beneficial terms of the Sprint contract and cheated Maycom out of compensation to which Maycom was entitled under the Sprint contract.

147. As a direct and proximate result of T-Mobile's fraudulent misrepresentations, Maycom has suffered damages in an amount to be determined at trial, but certainly in excess of \$50 million.

148. WHEREFORE, Maycom respectfully requests that this Court render judgment for Maycom and award Maycom damages, court costs, pre-judgment interest, and such other relief as this Court deems necessary and proper.

**SECOND CLAIM FOR RELIEF: NEGLIGENT MISREPRESENTATION
(IN THE ALTERNATIVE)**

149. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

150. Maycom pleads negligent misrepresentation in the alternative to fraud and fraudulent inducement.

151. As alleged herein, T-Mobile supplied misinformation (by direct statement and concealment that misled Maycom concerning the nature of the T-Mobile-Maycom relationship), including regarding future growth and store closures, which information was material, false, and misleading.

152. T-Mobile knew that supplying this information to Maycom was done to induce Maycom to enter into business transactions, particularly in executing the Agreement.

153. T-Mobile was negligent in obtaining and communicating this false information to Maycom.

154. Maycom reasonably relied on this false information in deciding whether to execute the Agreement.

155. T-Mobile's false information proximately caused damages to Maycom.

156. As a result of T-Mobile's negligent misrepresentations, Maycom has suffered damages in an amount to be determined at trial, but certainly in excess of \$50 million.

157. WHEREFORE, Maycom respectfully request that this Court render judgment for Maycom and award Maycom damages, court costs, pre-judgment interest, and such other relief as this Court deems necessary or proper.

THIRD CLAIM FOR RELIEF: DECLARATORY JUDGMENT

158. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

159. There is an actual and justiciable controversy among the parties regarding the matters set forth in this lawsuit.

160. The law, justice, and equity require a determination and declaration that, as a result of Sprint's and T-Mobile's fraudulent inducement of the T-Mobile Agreements, they are invalid, void, and of no effect, and Maycom remains in contract with Sprint and is entitled to the rights, privileges, and payments, and is limited to the obligations set out in the Authorized Representative Agreement between Sprint and Maycom.

161. The law, justice, and equity require a determination and declaration that, as a result of Sprint's and T-Mobile's fraudulent inducement of the T-Mobile Agreements and unequal bargaining power, the choice of law provisions contained therein are void and without effect.

162. The law, justice, and equity require a determination and declaration that, as a result of Sprint's and T-Mobile's fraudulent inducement of the T-Mobile Agreements, the putative releases contained in the Wind Down Addendums, Retailer Service Agreements, and the Assignment and Assumption Agreements are void and without effect. These putative releases were a product of economic duress and/or business compulsion, lack consideration, and T-Mobile obtained them fraudulently.

163. The law, justice, and equity require a determination and declaration that the relationships between Sprint and T-Mobile and Maycom were franchise relationships, such that Maycom is entitled to the benefits of a franchisee under applicable law.

164. Plaintiff and Defendants have antagonistic interests in the subject matter of this dispute.

165. There exists a current dispute and controversy between Plaintiff and Defendants as to the aforesaid matters.

166. There is a bona fide, actual, present need for the aforesaid declarations.

167. All parties who have an interest in the matter are before the Court and the declaration is not sought purely for legal advice or curiosity.

168. WHEREFORE, Plaintiff respectfully requests that this Court issue a judgment declaring that:

- a. The T-Mobile Agreements are invalid, void, and of no effect, and that Maycom remains in contract with Sprint and is entitled to the rights, privileges, and payments and is limited to the obligations set out in the Authorized Representative Agreement between Sprint and Maycom; and
- b. The choice of law provisions contained in the T-Mobile Agreements are void and without effect; and
- c. The putative releases contained in the Wind Down Addendums, Retailer Service Agreements, and the Assignment and Assumption Agreements are void and without effect; and
- d. The relationships between Sprint and T-Mobile and Maycom were franchise relationships, such that Maycom is entitled to the benefits of a franchisee under applicable law; and
- e. Such other declarations as the Court deems just and proper.

FOURTH CLAIM FOR RELIEF: BREACH OF SPRINT CONTRACT (AUTHORIZED REPRESENTATIVE AGREEMENT)

169. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

170. If the Court determines that the Sprint contract remains in place, T-Mobile's and Sprint's conduct as alleged herein breached that contract.

171. T-Mobile's and Sprint's conduct is the actual and proximate cause of damages to Maycom.

172. Maycom has suffered damages in an amount to be determined at trial, but certainly in excess of \$50 million.

173. WHEREFORE, Plaintiff requests the Court enter judgment in its favor and against Defendants, award Plaintiff damages, prejudgment interest, and its attorneys' fees and costs of suit, and grant such other relief as the Court may deem just and proper.

**FIFTH CLAIM FOR RELIEF: BREACH OF WIND DOWN ADDENDUM AND
T-MOBILE AGREEMENTS**

174. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

175. If the Court determines that the Agreement remains in place, T-Mobile's and Sprint's conduct as alleged herein breached that contract.

176. T-Mobile's and Sprint's conduct is the actual and proximate cause of damages to Maycom.

177. Maycom has suffered damages in an amount to be determined at trial, but certainly in excess of \$50 million.

178. WHEREFORE, Plaintiff requests the Court enter judgment in its favor and against Defendants, award Plaintiff damages, prejudgment interest, and its attorneys' fees and costs of suit; and grant such other relief as the Court may deem just and proper.

**SIXTH CLAIM FOR RELIEF: BREACH OF THE COVENANT OF GOOD FAITH AND
FAIR DEALING**

179. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

180. To the extent the T-Mobile Agreements are deemed to be valid contracts that T-Mobile did not fraudulently induce, then T-Mobile is obligated by contract and common law to act in good faith and to not do anything to deprive Maycom of the fruits and benefit of those agreements.

181. T-Mobile breached the T-Mobile Agreements as previously set forth herein and the implied covenant of good faith and fair dealing and injured Maycom's right to receive the benefits of the T-Mobile Agreements by engaging in the conduct described herein, including, without limitation:

- a. Systematically eliminating a disproportionate share of Maycom's stores within the first 6 months of the T-Mobile Agreements;
- b. Refusing to approve additional Maycom stores and re-opening (and keeping) stores after forcing Maycom to close them;
- c. Otherwise suppressing Maycom's ability to succeed as described herein; and
- d. Improperly labeling Maycom's stores as at risk while Maycom was under contract to sell those stores.

182. T-Mobile's actions are contrary to Maycom's reasonable and justified expectations under the T-Mobile Agreements.

183. T-Mobile's sweeping reduction of Maycom's stores and suppression activities frustrated the essential purpose of the Agreement and Maycom is unable to obtain its full and expected benefits of the Agreement, including without limitation, operating as a dealer of T-Mobile services and selling its stores without unreasonable interference.

184. T-Mobile used a termination of locations provision to constructively gut the essential purpose of the Agreement while Maycom and its owners were supposedly subject to a

non-compete clause – all while T-Mobile continued to systematically eliminate Maycom stores, refused to renew lease terms, and engaged in anti-competitive, unfair, and deceptive trade practices to guarantee that Maycom’s remaining stores failed (as evidenced by, e.g., the reopening of stores after Maycom was forced to close them and more favorable lease-renewal dates after Maycom sold the stores to the Buyer).

185. T-Mobile never intended to work with Maycom. It only wanted signed agreements that would constrain Maycom and hopefully obviate Maycom’s ability to defend itself. Further, as T-Mobile possessed Maycom’s financial information, it knew before Maycom signed the Agreement that its actions would effectively close down Maycom.

186. T-Mobile’s misconduct cause Maycom to suffer damages in an amount to be determined at trial, but certainly in excess of \$50 million.

187. WHEREFORE, Plaintiff requests the Court enter judgment in its favor and against Defendants, award Plaintiff damages, prejudgment interest, and its attorneys’ fees and costs of suit; and grant such other relief as the Court may deem just and proper.

SEVENTH CAUSE OF ACTION: VIOLATION OF WASHINGTON UNFAIR BUSINESS PRACTICES—CONSUMER PROTECTION ACT, RCW §§ 19.86.010 ET SEQ.

188. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

189. T-Mobile engaged in unfair and deceptive trade practices including, among other things, the following:

- a. Making false representations to induce Maycom to sign the T-Mobile Agreements and coercing Maycom to do so or else forego the ability to sell any T-Mobile phones or services;

- b. Engaging in anti-competitive conduct to disadvantage and drive out Maycom (and other legacy Sprint dealers) while not subjecting legacy T-Mobile dealers to such conduct;
- c. Weaponizing the commercial relationship and using contractual terms to state misrepresentations and to reading and applying terms to improperly operate in an unfair fashion and contrary to the language and spirit of the contracts, read completely in context, to cheat Maycom, suppress it, and effectively drive it out of business; and
- d. Representing in the T-Mobile Agreements that no franchise relationship would be created but in fact, creating such a franchise relationship with Maycom, thereby manipulating the contractual relationship and abusing Maycom as a franchisee.

190. T-Mobile's unfair and deceptive trade practices affect trade and/or commerce given that T-Mobile is engaged in the sale of assets, services, and commerce that directly affect the people of Washington state.

191. T-Mobile's unfair and deceptive trade practices affect the public because:

- a. T-Mobile committed its anti-competitive acts in the course of its business;
- b. T-Mobile's actions were part of a pattern or generalized course of conduct which involved the intentional devastation of dealers like Maycom;
- c. T-Mobile's conduct is not isolated – it has engaged in a pattern and practice of committing the wrongful actions and inactions addressed in this Complaint – and is harmful to wireless dealers, employees, and customers;
- d. T-Mobile has driven several viable and successful businesses out of the marketplace;

- e. T-Mobile has not complied with the letter and spirit of the representations that it made to state and federal authorities to obtain approval of the Sprint-T-Mobile merger;
- f. Given T-Mobile's pattern, there exists an ongoing potential for T-Mobile to continue its unlawful conduct; and
- g. T-Mobile's actions have affected and continue to affect a large number of consumers.

192. T-Mobile's unfair and deceptive conduct is the actual and proximate cause of injury to Maycom and has caused damages to Maycom in an amount to be determined at trial, but certainly in excess of \$50 million.

193. Maycom is entitled to an award of damages caused by T-Mobile's unlawful conduct, including reasonable attorneys' fees and statutory treble damages as provided by RCW 19.86.090.

**EIGHTH CAUSE OF ACTION: VIOLATION OF FLORIDA DECEPTIVE AND
UNFAIR TRADE PRACTICES ACT, §§ 501.201 ET SEQ
(IN THE ALTERNATIVE)**

194. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

195. To the extent the T-Mobile Agreements are deemed fraudulently induced and unenforceable, which would void the provision setting Washington as the applicable jurisdiction, Maycom pleads Florida's Deceptive and Unfair Business Practices Act ("the Act") in the alternative.

196. Section 501.204(1) provides that "unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful." The provisions of the Act shall be "construed liberally to promote the protection" of the "consuming public and legitimate

business enterprises from those who engage in . . . deceptive[] or unfair acts or practices in the conduct of any trade or commerce.” Fla. Stat § 501.202 (2014).

197. Defendants were, at all times material to the allegations herein, engaged in “trade or commerce” as defined by the Act. Fla. Stat. § 501.203 (2014).

198. As the acquiring entity, T-Mobile assumed Sprint’s liabilities.

199. T-Mobile engaged in unfair and deceptive conduct. *Supra*, ¶¶ 144-147 and subsections therein.

200. T-Mobile’s unfair and deceptive conduct caused independent harms to consumers in Florida and to Maycom.

201. T-Mobile’s unfair and deceptive conduct is the actual and proximate cause of injury to consumers and to Maycom. T-Mobile’s unfair and deceptive conduct has caused damages to Maycom in an amount to be determined at trial, but certainly in excess of \$50 million.

202. Maycom requests judgment against Defendants for damages, together with attorneys’ fees and costs of suit pursuant to Sections 501.2105 and 501.211(2), Florida Statutes, and such other and further relief as the court may deem proper.

NINTH CAUSE OF ACTION: VIOLATION OF WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW §§ 19.100.010 ET SEQ.

203. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

204. Sprint was a franchisor and unlawfully sold an unregistered franchise in the State of Washington in contravention of RCW 19.100. Upon information and belief, Sprint failed to file a Notice of Claim for Exemption under WAC 460-80-100 and, in any event, was not exempt from registration requirements.

205. Likewise, T-Mobile is a franchisor and T-Mobile unlawfully sold an unregistered franchise in the State of Washington in contravention of RCW 19.100. Upon information and belief, T-Mobile has failed to file a Notice of Claim for Exemption under WAC 460-80-100 and, in any event, is thus not exempt from registration requirements.

206. As the acquiring entity, T-Mobile assumed Sprint's liabilities.

207. T-Mobile's business model and mode of operation is in fact a "franchise" as defined in RCW 19.100.010(6)(a) in that:

- a. T-Mobile granted Maycom rights to engage in the business of offering, selling, and distributing goods and services under marketing plans pre-designed by T-Mobile;
- b. the business opportunity granted to Maycom was substantially associated with a trademark, trade name, and other commercial symbols owned by T-Mobile; and
- c. T-Mobile collected disguised franchise fees from Maycom.

208. Specifically, and without limitation, T-Mobile acted unfairly and deceptively and engaged in an unfair method of competition in violation of RCW 19.100.180, by:

- a. Failing to deal with Maycom in good faith;
- b. Requiring Maycom to purchase goods or services from T-Mobile or from an approved source of supply in the absence of any lawful purpose justified on business grounds;
- c. Unreasonably and arbitrarily discriminating between legacy T-Mobile dealers and legacy Sprint dealers, such as Maycom, in business dealings;
- d. Requiring Maycom to assent to a release or waiver which would relieve T-Mobile from liability imposed by RCW 19.100.180;

- e. Unreasonably and unnecessarily imposing on Maycom standards of conduct such as forcing Maycom to purchase security equipment that complied with only T-Mobile's specifications, mandating that new hires be approved by T-Mobile, and mandating a minimum number of people on sales floors at all times;
- f. Refusing to renew the franchise without fairly compensating Maycom for the fair market value and good will;
- g. Threatening to and actually terminating Maycom's stores before the expiration of its terms without good cause; and
- h. Acting inconsistent with representations made to federal and state authorities concerning commitments not to shut down productive stores or reduce employment.

209. As a result of T-Mobile's violations of franchise law, Maycom has suffered damages in an amount to be determined at trial, but certainly in excess of \$50 million.

210. Maycom has suffered damages by reason of T-Mobile's violation of RCW 19.100 and is entitled to an award of damages thereof, including statutory treble damages as provided by RCW 19.100.190(3).

**TENTH CAUSE OF ACTION: VIOLATION OF FLORIDA FRANCHISE ACT,
§§ 817.416 ET SEQ.
(IN THE ALTERNATIVE)**

211. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

212. To the extent the T-Mobile Agreements are deemed fraudulently induced and unenforceable, which would void the provision setting Washington as the applicable jurisdiction, Maycom pleads Florida's Franchise Act in the alternative.

213. Sprint was a franchisor, and upon information and belief, it violated Section 559.802 of Florida Statutes by failing to file an annual exemption from Florida's Sale of Business Opportunities Act and a filing fee.

214. Likewise, T-Mobile is a franchisor, and upon information and belief, it violated Section 559.802 of Florida Statutes by failing to file an annual exemption from Florida's Sale of Business Opportunities Act and a filing fee.

215. As the acquiring entity, T-Mobile assumed Sprint's liabilities.

216. Both Sprint's and T-Mobile's business model and mode of operation is in fact a "franchise" as defined in Section 817.416 in that:

- a. Sprint and T-Mobile and Maycom were in a commercial relationship of definite duration;
- b. Sprint and T-Mobile granted Maycom, the franchisee the right to offer, sell, and distribute goods or services;
- c. Maycom, as the franchisee, is an independent business constituting a component of T-Mobile's distribution system, and previously, Sprint's distribution system; and
- d. The operation of Maycom's business franchise was substantially reliant on Sprint and T-Mobile for the basic supply of goods.

217. Specifically, and without limitation, Sprint and T-Mobile violated Section 817.416, by:

- a. Intentionally misrepresenting the prospects or chances for success of a proposed or existing franchise by making the statements alleged herein. Specifically, Sprint and T-Mobile significantly overstated the per-store per-month customer traffic, but in reality, only T-Mobile Premium Retailer Stores were able to experience that kind

of high customer traffic. Thus, Sprint and T-Mobile misrepresented the amount of profit Maycom could realize.

- b. Intentionally misrepresenting the known required total investment for such a franchise by making the statements alleged herein. Specifically, T-Mobile required all legacy Sprint dealers, including Maycom, to remodel their stores under the new T-Mobile brand at a cost to the dealer of an undisclosed amount at the time, but which later information revealed would cost approximately \$130,000 per store. At the time, T-Mobile misrepresented that it would allocate cooperating legacy Sprint dealers necessary remodeling funds, which concealed the true cost of remodeling.
- c. Intentionally misrepresenting and/or failing to disclose efforts to sell or establish more franchises that is reasonable to expect the market or market area to sustain by making the statements alleged herein. Specifically, Sprint intentionally misrepresented that it would be a “stand-alone” company and not merge with T-Mobile and continued encouraging Maycom to open new locations in close proximity to existing T-Mobile stores. At the 2018 dealer summit, Sprint falsely represented to dealers, including Maycom, that it had 400+ doors approved for growth. However, right after the merger, T-Mobile wrongfully closed hundreds of doors, including those of Maycom’s. Sprint and T-Mobile intentionally misrepresented the market’s ability to sustain opening of new dealer locations.

218. T-Mobile’s misrepresentations included, among others, are: the number of contemplated store closures; the financial incentives that Maycom would receive if it signed the Agreements; and Maycom’s likelihood of success of being a T-Mobile franchisee.

219. As a result of Sprint's and T-Mobile's representations, Maycom was tricked into entering into the various agreements alleged herein and investing millions of dollars.

220. Maycom would not have executed the new T-Mobile Agreements and invested substantial amount of time, effort, and money in establishing more stores but for Sprint's and T-Mobile's misrepresentations and intentional concealment of material facts.

221. As a direct and proximate result of T-Mobile's violations of Section 817.416, Maycom has suffered damages in an amount to be determined at trial, but certainly in excess of \$50 million and is entitled to an award of damages thereof, including attorneys' fees and costs of the suit pursuant to Section 817.416(3) Florida Statutes.

ELEVENTH CAUSE OF ACTION: ILLEGAL CIVIL CONSPIRACY

222. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

223. T-Mobile and Sprint engaged in, and indeed led, an illegal civil conspiracy to engage in unlawful conduct or to engage in lawful conduct in an unlawful way.

224. First, T-Mobile and Sprint engaged in an illegal civil conspiracy to mislead dealers to take action to support a greater merger value and to then extract funds from those dealers to profit the members of the conspiracy.

225. With respect to the first conspiracy, T-Mobile's and Sprint's co-conspirators are, without limitation: Brightstar (and its leadership, including Steve Barker), Softbank, Marcelo Claire (who held influential roles at Sprint, Softbank, Brightstar, and T-Mobile), and Michel Combes, Tarek Robbiatti and Joe Euteneuer (who were highly placed executives with Sprint and Softbank).

226. Second, T-Mobile and Sprint conspired to interfere with the free market and fix prices for sales of dealer businesses to other dealers and otherwise engage in anti-competitive behavior to disadvantage selling dealers and reward T-Mobile's growth partner dealers

227. With respect to this second conspiracy, as it pertained to Maycom, T-Mobile's and Sprint's co-conspirators were the buyer of Maycom's business and the former T-Mobile executive who worked there and any other dealers to which T-Mobile supplied illicit information.

228. T-Mobile acted in furtherance of each conspiracy as previously alleged, thereby causing injury and harm to Maycom.

229. WHEREFORE, Maycom respectfully request that this Court render judgment for Maycom and award Maycom damages, court costs, pre-judgment interest, and such other relief as this Court deems necessary or proper.

TWELFTH CAUSE OF ACTION: VIOLATION OF NORTH CAROLINA UNFAIR AND DECEPTIVE TRADE PRACTICES ACT

230. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

231. This cause of action relates to Maycom's stores in North Carolina.

232. T-Mobile's and Sprint's actions hereinbefore described are unfair and deceptive trade practices in violation of N.C. Gen. Stat. § 75-1.1, *et seq.* Those actions include fraud and deception, engaging in an illegal civil conspiracy, tortiously interfering with Maycom's contracts with Sprint and the Buyer, and aggravated breaches of contract.

233. Defendants' actions were in and affecting commerce in North Carolina.

234. Defendants' actions were the actual and proximate cause of damage and injury to Maycom.

235. As a result of Defendants' unfair and deceptive trade practices, Maycom is entitled to receive an award of actual damages, statutory treble damages (or punitive damages) and attorneys' fees and litigation costs.

THIRTEENTH CAUSE OF ACTION: VIOLATION OF SOUTH CAROLINA UNFAIR AND DECEPTIVE TRADE PRACTICES ACT

236. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

237. This cause of action relates to Maycom's stores in South Carolina.

238. Defendants engaged in unfair methods of competition and unfair or deceptive acts or practices as hereinbefore described in the conduct of trade or commerce in violation of S.C. Code Ann. § 39-5-20(a).

239. As a result of Defendants' unfair and deceptive conduct, Maycom suffered actual, ascertainable damages.

240. The unlawful trade practice engaged in by the defendant had a materially adverse impact on the public interest.

241. As a result of Defendants' unfair and deceptive trade practices, Maycom is entitled to receive an award of actual damages, statutory treble damages (or punitive damages) and attorneys' fees and litigation costs.

FOURTEENTH CAUSE OF ACTION: UNJUST ENRICHMENT, QUANTUM MERUIT, OR DISGORGEMENT

242. Maycom realleges, as if fully set forth herein, each and every allegation contained in paragraphs 1 through 135.

243. To the extent a contractual relationship is found to no longer exist between Defendants and Maycom (because the Sprint contract has expired and the T-Mobile Agreements

are invalid), the Court should compensate Maycom for its services, and the loss of its stores under the theories of unjust enrichment, quantum meruit, and disgorgement.

244. Defendants received a benefit from the operation of stores and sales of Defendants' goods and services and in forcing Maycom to close its stores.

245. These benefits were conferred at Maycom's expense.

246. Under the circumstances, it would be unjust for Defendants to retain the benefit without fairly compensating Maycom.

247. Further, T-Mobile should have to disgorge benefits flowing from its fraud.

248. Maycom is entitled to compensation or disgorgement in an amount to be determined at trial, but certainly in excess of \$50 million.

249. WHEREFORE, Plaintiff requests the Court enter judgment in its favor and against Defendants, award Plaintiff damages and prejudgment interest, and grant such other relief as the Court may deem just and proper.

GENERAL PRAYER FOR RELIEF AND REQUEST FOR JURY TRIAL

Accordingly, Maycom respectfully requests that the Court grant it the following relief:

A. Award judgment in favor of Maycom and against Defendants on each of Maycom's causes of action;

B. Award Maycom its actual damages, which exceed \$50 million, plus statutory treble damages, punitive damages, prejudgment interest, attorneys' fees, and costs as allowed by law;

C. Afford Plaintiff a trial by jury; and

D. Grant Maycom such other and further relief as is just and proper.

Respectfully submitted this 23rd day of December, 2021.

HEEBNER, BAGGETT & GARTHE, P.L.

BY: /s/ J. Steven Garthe

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