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**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING**

WIRELESS LIFESTYLE LLC,
Plaintiff,

v.

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

COMPLAINT

Plaintiff Wireless Lifestyle LLC (“Wireless Lifestyle” or “Plaintiff”) files this Complaint seeking relief against Defendant 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 and says as follows:

1. Wireless Lifestyle brings this action to recover for T-Mobile’s and Sprint’s fraud and predatory business practices that destroyed Wireless Lifestyle’s business as an authorized dealer of mobile services and products, ultimately forcing the principals of Wireless Lifestyle to sell their company to mitigate their damages after successfully running it for sixteen-and-a-half years.

PARTIES

2. Plaintiff Wireless Lifestyle is a limited liability company organized and existing under the laws of Delaware and with its principal place of business in Overland Park, Kansas, but

1 with locations and operations in other areas, including Idaho, Illinois, Missouri, California,
2 Florida, Wisconsin, Minnesota, New Jersey, New York, Oregon, Pennsylvania, and Puerto Rico.

3 3. Defendant T-Mobile is a corporation organized and existing under the laws of
4 Delaware, with a headquarters in Bellevue, Washington.

5 4. Defendant Sprint is a Missouri corporation with its principal place of business
6 at 6200 Sprint Parkway, Overland Park, Kansas 66251.

7 JURISDICTION AND CHOICE OF LAW

8 5. Jurisdiction in this Court is proper because T-Mobile has its principal place of
9 business in this state.

10 6. T-Mobile forced Wireless Lifestyle to execute contracts, including Retailer
11 Services Agreements (“RSAs”)¹ that contain clauses requiring JAMS arbitration in Seattle,
12 Washington and provide that “[t]his Agreement and the rights and obligations of the parties under
13 this Agreement will be construed in accordance with and will be governed by the laws of the State
14 of Washington, without regard to the conflict of laws or choice of law provisions.”

15 7. If the T-Mobile Agreements are set aside as the result of fraud (as they should be),
16 the Washington choice of law and arbitration provisions would not apply. Wireless Lifestyle fully
17 reserves (and hereby states in the alternative) the right to proceed on any of its claims under the
18 companion laws of any state, including Kansas, California, and the other states where Wireless
19 Lifestyle had operations affected by T-Mobile’s conduct, in addition to breaches of Washington
20 law pled below.

21 FACTUAL BACKGROUND

22 A. The Founding of Wireless Lifestyle.

23 8. Plaintiff Wireless Lifestyle LLC was formed by Paul and Igor Kushnir more than
24 sixteen years ago, originally operating four Sprint stores in Kansas City, Missouri.

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27 ¹ The parties executed sixteen Retailer Services Agreements, one for each market or “Area” where Wireless Lifestyle operated retail locations, covering 138 Wireless Lifestyle stores. All sixteen agreements are virtually identical and for the purposes of this Complaint, will be referred to collectively as the “Agreement.”

1 9. Prior to the merger with T-Mobile, Wireless Lifestyle was one of the largest Sprint
2 dealers in the country.

3 **B. Wireless Lifestyle Exceled as an Authorized Sprint Dealer and Expanded its**
4 **Footprint at Sprint’s Behest.**

5 10. Wireless Lifestyle excelled as Sprint’s largest and one of its top-performing dealers,
6 receiving numerous accolades from Sprint.

7 11. In 2017, Sprint and T-Mobile explored a highly publicized potential merger.

8 12. That merger ultimately did not happen, but immediately following the
9 announcement that it would not go through, Sprint contacted many of its dealers, including
10 Wireless Lifestyle, and actively encouraged them to “open as many stores as possible.” These
11 statements were made by Sprint’s then CEO Marcello Claire in phone calls and video conferences
12 in 2017 with Paul Kushnir and other Sprint dealers.

13 13. In addition, at a dealer summit that took place during January 29-31, 2018, Sprint
14 heavily encouraged dealers, including Wireless Lifestyle, to grow and add new locations,
15 especially near competitors like T-Mobile.

16 14. In light of Wireless Lifestyle’s track record of success, Sprint specifically
17 encouraged Wireless Lifestyle to expand in markets that Sprint considered strategic or beneficial
18 to Sprint.

19 15. Sprint’s encouragement to Wireless Lifestyle and others to expand their locations
20 continued right up until the new merger with T-Mobile was announced.

21 16. In reliance on Sprint’s inducements, on March 1, 2018, Wireless Lifestyle made a
22 sizable acquisition – acquiring 23 stores in St. Louis, Missouri.

23 17. At the time of this expansion, Sprint knew that it would soon be acquired by T-
24 Mobile, but told Wireless Lifestyle otherwise, assuring Wireless Lifestyle (and other legacy Sprint
25 dealers) that Sprint would remain “a stand-alone company.” Indeed, Sprint’s CEO Marcelo Claire
26 specifically made this statement.

1 18. Sprint concealed the truth about the merger from Wireless Lifestyle (and other
2 dealers) and repeatedly encouraged Wireless Lifestyle to open and acquire new stores, and
3 specifically encouraged Wireless Lifestyle to open stores that were in close proximity to T-Mobile
4 stores.

5 19. Upon information and belief, these misrepresentations and concealments were
6 made to protect Sprint's position in the merger as well as profit Sprint and its executives in the
7 coming merger, from which they profited greatly based on the growth induced by the
8 misrepresentations and concealments.

9 **C. Sprint and T-Mobile Announced Their Merger and Promised Limited Post-Merger**
10 **Closures.**

11 20. Despite Sprint's efforts to conceal its merger plans from dealers like Wireless
12 Lifestyle, there were rumors that Sprint and T-Mobile might merge. When Wireless Lifestyle
13 inquired whether there would be a merger, Sprint indicated that there would not be, and again
14 instructed Wireless Lifestyle to continue growing and opening new stores in close proximity to T-
15 Mobile locations.

16 21. Wireless Lifestyle followed Sprint's instructions and continued opening new
17 locations.

18 22. Upon information and belief, Sprint knew its statements about the merger were
19 false and that its repeated urging that Wireless Lifestyle (and other legacy Sprint dealers) continue
20 growing and opening new stores would benefit Sprint and its executives in the upcoming merger,
21 but would ultimately harm dealers like Wireless Lifestyle.

22 23. On April 29, 2018, Sprint and T-Mobile announced that they had reached a
23 definitive merger agreement.

24 24. Wireless Lifestyle immediately asked Sprint about the implications of the merger
25 on Wireless Lifestyle and sought merger protection in light of its recent and rapid expansion at
26 Sprint's request.

1 25. At the same time, Sprint’s CEO, Marcelo Claire, and T-Mobile’s CEO, John
2 Legere, began making joint appearances to promote the merger, and avoid opposition to it,
3 including from legacy Sprint dealers.

4 26. Messrs. Claire and Legere jointly appeared on CNBC’s “Squawk on the Street”
5 program on April 30, 2018. During that joint appearance, they stated that the new proposed merger
6 would create thousands of jobs and would result in hundreds and hundreds of new stores being
7 opened. A link to the video of program where these statements was made is here -
8 <https://www.cnn.com/video/2018/04/30/t-mobile-and-sprint-ceos-on-mega-merger.html>. Mr.
9 Claire’s and Mr. Legere’s statements on that program are incorporated by reference.

10 27. Messrs. Claire and Legere made the same claims – that both jobs and stores would
11 be added, not reduced, following the merger – during a Town Hall meeting with Sprint dealers,
12 including Wireless Lifestyle, on October 22, 2018. The full transcript of their statements at that
13 meeting is available here - [https://www.fiercewireless.com/wireless/full-transcript-here-s-what-t-](https://www.fiercewireless.com/wireless/full-transcript-here-s-what-t-mobile-s-john-legere-told-sprint-s-town-hall-meeting)
14 [mobile-s-john-legere-told-sprint-s-town-hall-meeting](https://www.fiercewireless.com/wireless/full-transcript-here-s-what-t-mobile-s-john-legere-told-sprint-s-town-hall-meeting), and is incorporated by reference.

15 28. Mr. Legere additionally stated that “The New T-Mobile will open **600 new stores**
16 **to serve rural areas and small towns**” (emphasis in original) and that “we will offer a job with
17 the New T-Mobile to every single employee of T-Mobile and Sprint working in one of our retail
18 stores” following the merger during an April 4, 2019 posting to T-Mobile’s website -
19 <https://www.t-mobile.com/news/un-carrier/new-t-mobile-creating-jobs>, which statements are also
20 incorporated herein.

21 29. Mr. Claire and Mr. Legere made these statements to induce Wireless Lifestyle, and
22 other legacy Sprint dealers, to continue following Sprint’s growth plan, to induce Wireless
23 Lifestyle and other dealers to not oppose the merger or request that appropriate regulators deny or
24 contest the merger, and to induce legacy Sprint dealers, including Wireless Lifestyle, to execute
25 post-merger agreements with T-Mobile.

1 30. Mr. Claire and Mr. Legere intended that Wireless Lifestyle and other Sprint dealers
2 rely on these representations in executing post-merger agreements with T-Mobile so they could
3 complete their merger and enrich themselves, to the detriment of legacy Sprint dealers like
4 Wireless Lifestyle.

5 31. Mr. Claire and Mr. Legere also intended that Congress rely on these statements, as
6 well as those made in other public appearances and interviews, because they knew the merger
7 would be subject to scrutiny by Congress.

8 32. In fact, Messrs. Claire and Legere reiterated their claims that the merger would not
9 impact Sprint dealers and would in-fact result in more stores being opened, during joint testimony
10 sessions to Congress on June 27, 2018 and February 19, 2019.

11 33. During the period of time after the merger discussions were announced, but before
12 the merger was finalized, Sprint continued to conceal the truth about the merger from Wireless
13 Lifestyle (and other dealers) and repeatedly encouraged Wireless Lifestyle to open and acquire
14 new stores, and specifically encouraged Wireless Lifestyle (and other dealers) to open stores that
15 were in close proximity to T-Mobile stores.

16 34. Upon information and belief, these misrepresentations and concealments were
17 made to profit Sprint and its executives in the coming merger, from which they profited greatly
18 based on the growth induced by the misrepresentations and concealments.

19 35. In July 2018, Sprint and Wireless Lifestyle executed two addenda to their
20 Authorized Representative Agreement to provide for “New Facility Payments” in the event of a
21 merger between Sprint and T-Mobile (together, the “Merger Protection Agreement”).

22 36. The Merger Protection Agreement required Wireless Lifestyle to open additional
23 locations in Sprint’s “Select” program prior to March 31, 2019. In return, Sprint was to make
24 payments to Wireless Lifestyle for each eligible store closed within 18 months following a merger
25 between Sprint and T-Mobile. These payments were to include a set amount per closed eligible
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1 store, plus certain amounts for ongoing rent, common area maintenance, and other costs Wireless
2 Lifestyle would continue to incur after store closures.

3 37. Negotiating the Merger Protection Agreement, Wireless Lifestyle was not
4 anticipating that it would suffer a net reduction in its number of stores following a potential merger,
5 as it was made to believe that its tokens could be used to offset the closures of specific stores, but
6 that it would also be allowed to grow additional locations such that it would not suffer a net
7 reduction of stores following a merger.

8 38. Additionally, Scott Keen, Sprint's then-Director of Dealer Channels (and who later
9 became a Director at T-Mobile), explicitly represented to Wireless Lifestyle that the new T-Mobile
10 would only close 10% to 15% of Wireless Lifestyle's stores (or approximately 20 to 30 stores).

11 39. Because of Sprint's representations, Wireless Lifestyle reasonably expected that it
12 would only be subjected to a reduction of 10% to 15% of its stores and that it would be permitted
13 to continue growing after an initial round of closures following any merger, such that it would not
14 suffer a net loss of stores.

15 40. Indeed, when Wireless Lifestyle asked Cody Welker on a call on or around
16 February 14, 2020 whether T-Mobile would target 30% of its store for closures, Mr. Welker
17 responded "no," assuring Wireless Lifestyle that "whatever number (of doors) you think it's going
18 to be, it's less than that."

19 **D. Sprint and T-Mobile Merged, and T-Mobile Coerced and Fraudulently Induced**
20 **Wireless Lifestyle to Enter into a New Agreement Based on False Promises of Growth**
21 **and Limited Post-Merger Closures.**

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

23 42. To obtain the necessary approvals from the Department of Justice and regulatory
24 agencies, T-Mobile made broad, sweeping promises to the government and to the public that the
25 merger would increase competition for consumers, result in the opening of new stores, and create
26 more jobs and that it would not produce anti-competitive behavior.

1 43. In late April 2020, representatives from T-Mobile – specifically Scott Keen and
2 Cody Welker, both of whom were employed by T-Mobile at this point and in-charge of
3 communications with the retail dealers – met with Wireless Lifestyle to present T-Mobile’s post-
4 merger dealer strategy as it pertained to Wireless Lifestyle.

5 44. In the presentation, T-Mobile announced it would close approximately 50 of
6 Wireless Lifestyle stores.

7 45. T-Mobile falsely represented the store closures were based on extreme proximity
8 to other T-Mobile stores and that T-Mobile was instituting a similar number of closures for legacy
9 Sprint and T-Mobile dealers alike.

10 46. Wireless Lifestyle told T-Mobile that it was shocked and dismayed by the number
11 of closures and specifically explained that this number would have a “material adverse” effect on
12 Wireless Lifestyle unless Wireless Lifestyle also had opportunities to grow.

13 47. T-Mobile representatives Scott Keen and Cody Welker assured Wireless
14 Lifestyle’s principals that Wireless Lifestyle would be “a growth partner” of T-Mobile’s, that
15 Wireless Lifestyle “would be well taken care of” and that there “would not be” another round of
16 closures.

17 48. Regarding the number of stores closures, Cody Welker explained that T-Mobile
18 was “trying to rip the Band-Aid off” and complete all of the stores closures “in one shot.”

19 49. Scott Keen and Cody Welker added that Wireless Lifestyle would be “one of the
20 few chosen growth partners of T-Mobile,” which they said was evidenced by T-Mobile offering
21 the T-Mobile agreements as a 5-year contract, which, they stated, was not being offered to other
22 dealers.

23 50. The closures represented a 23% reduction of Wireless Lifestyle’s locations,
24 reducing its store count from 216 to 166.

25 51. T-Mobile did not mention the possibility of additional store closures beyond those
26 50.

1 52. Wireless Lifestyle reasonably believed that these closures were the only closures
2 T-Mobile would institute because of T-Mobile's prior representations, Mr. Keen's and Mr.
3 Welker's specific statements during this meeting, and because the dealer strategy presentation to
4 Wireless Lifestyle made no mention of further closures and was intentionally designed to give the
5 impression there would be none.

6 53. Following the dealer strategy presentation, T-Mobile sent Wireless Lifestyle the
7 Agreement Package, which required Wireless Lifestyle to wind down its existing agreements with
8 Sprint, enter into sixteen Retailer Services Agreements with T-Mobile, enter a Branded Asset
9 Acknowledgement Agreement, and submit individual guarantees executed by both Kushnir
10 brothers.

11 54. The Agreement Package consisted of more than 1,200 pages of legal documents,
12 which linked to and incorporated even more documents. T-Mobile pressured Wireless Lifestyle to
13 sign these documents quickly and repeatedly emphasized that all terms were non-negotiable and
14 that to be a T-Mobile agent, Wireless Lifestyle must sign these agreements.

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

21 56. Contemporaneously with its transmission of the Agreement Package, T-Mobile
22 falsely represented to Wireless Lifestyle that it did not have to honor and would not honor Sprint's
23 obligations under Wireless Lifestyle's existing dealer agreements with Sprint, which obligations
24 T-Mobile had assumed via the merger and by their terms were effective for approximately two
25 more years.

1 57. T-Mobile also disclaimed any obligation to honor the Merger Protection Agreement
2 for store closure reimbursements during the agreed-upon 18-month post-merger period, which was
3 specifically intended to protect Wireless Lifestyle from rapid post-merger store closures.

4 58. T-Mobile also withheld Wireless Lifestyle's rightfully-earned CSAs for the closed
5 stores, amounting to hundreds of thousands of dollars, yet at the same time wrongfully charged
6 Wireless Lifestyle fees for deactivations and chargebacks for the closed locations.

7 59. T-Mobile further advised Wireless Lifestyle that, because Sprint no longer existed,
8 T-Mobile was not obligated to provide any benefits under the existing contracts and would not
9 allow Wireless Lifestyle to sell any T-Mobile phones or services unless it signed the Agreement
10 Package.

11 60. T-Mobile took the entirely opposite position with respect to Wireless Lifestyle's
12 burdens under the existing Sprint contracts, stating it would continue to enforce those burdens
13 against Wireless Lifestyle until it signed the T-Mobile Agreement Package.

14 61. T-Mobile also stated that if Wireless Lifestyle did not execute the Agreement
15 Package, it would withhold store remodeling funds.

16 62. T-Mobile required all legacy Sprint dealers, including Wireless Lifestyle, to
17 remodel their stores under the new T-Mobile brand at a cost to the dealer of an undisclosed amount
18 at the time, but which later information revealed would cost approximately \$130,000 per store.

19 63. At the time, T-Mobile misrepresented that it would allocate cooperating legacy
20 Sprint dealers \$15,000 to "refresh" their stores, which concealed the true cost of remodeling.

21 64. As a practical matter, T-Mobile knew that Wireless Lifestyle had no choice but to
22 sign the new T-Mobile agreements. T-Mobile would hold Wireless Lifestyle and other dealers to
23 the restrictions in the Sprint contracts (e.g., non-competition clauses), but would not allow
24 Wireless Lifestyle to sell T-Mobile branded products and services unless Wireless Lifestyle signed
25 the new Agreement Package. This combination of circumstances would entirely deprive Wireless
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1 Lifestyle of the ability to meet its expenses of approximately \$7 million per month in lease
2 payments, payroll, taxes, and debt service.

3 65. Prior to executing the Agreement Package, Wireless Lifestyle again spoke with Mr.
4 Scott Keen. Specifically, in the second half of May 2020, Wireless Lifestyle directly asked Mr.
5 Keen whether T-Mobile would institute any additional rounds of store closures.

6 66. Mr. Keen assured Wireless Lifestyle that T-Mobile would not engage in another
7 round of closures.

8 67. Paul Kushnir of Wireless Lifestyle repeatedly informed Mr. Keen of T-Mobile that
9 another round of closures, if it occurred, would certainly have adverse effects on Wireless
10 Lifestyle, particularly without growth (i.e., the ability to acquire more stores).

11 68. According to T-Mobile's representatives, the closures were part of a "shrink to
12 grow" strategy, pursuant to which T-Mobile would close – on a fair and reasonable basis – stores
13 that were in close proximity to one another and then allow dealers, like Wireless Lifestyle, to grow
14 by adding new locations in new areas. Indeed, multiple T-Mobile representatives repeatedly
15 assured Wireless Lifestyle that T-Mobile was going to facilitate expansion and growth by Wireless
16 Lifestyle.

17 69. T-Mobile knew, but concealed from Wireless Lifestyle, that unless a dealer was a
18 favored T-Mobile dealer, it would only be allowed (or more accurately, forced) to shrink, but never
19 to grow. As Wireless Lifestyle was not a favored legacy T-Mobile dealer, Wireless Lifestyle
20 experienced a mandated "shrink, but not grow" strategy forced by T-Mobile.

21 70. Upon information and belief, at that time T-Mobile knew that it would make
22 multiple additional rounds of closures of Wireless Lifestyle stores and there would be additional
23 rounds of closures, and T-Mobile fraudulently concealed this fact from Wireless Lifestyle,
24 including by instructing personnel, like Mr. Keen and Cody Welker, not to disclose this fact to
25 Wireless Lifestyle and other dealers.

1 71. Upon information and belief, T-Mobile disregarded the advice of the real estate
2 advisors upon which it normally relied in deciding which stores to slash and instead intentionally
3 closed legacy Sprint stores because its intent was to drive the legacy Sprint dealers out of business.

4 72. Sprint's and T-Mobile's fraudulent misrepresentations and concealments were
5 intended to, and did, induce Wireless Lifestyle to sign the T-Mobile contracts.

6 73. Faced with an immediate 23% reduction of its business after the merger and the
7 direct threat of having its remaining 166 stores' operations grinding to a halt with nothing to sell,
8 as well as the inability to negotiate terms and T-Mobile's false representations there would be no
9 further store closures, Wireless Lifestyle executed the Agreement Package on May 25, 2020.

10 74. The adhesion RSAs (collectively, the "Agreement") (and the Wind Down
11 Addendum) include provisions that were false and oppressive, including: provisions that reduced
12 Wireless Lifestyle's compensation, releases that were induced by financial coercion and distress,
13 and misrepresentations that the Kushnir brothers wanted to provide a personal financial guarantee
14 for the benefit of T-Mobile.

15 75. Wireless Lifestyle only agreed to these terms under extreme economic duress.

16 76. The Agreement's terms were ridiculously one-sided and, as Wireless Lifestyle now
17 realizes, intended by T-Mobile to enable T-Mobile to drive Wireless Lifestyle out of business.

18 **E. T-Mobile Engaged in a Pattern and Practice of Anti-Competitive Behavior to Destroy**
19 **Wireless Lifestyle and Instituted Additional Closures Despite Representations to the**
20 **Contrary.**

21 77. Shortly after the Sprint-T-Mobile merger, T-Mobile began engaging in a litany of
22 anti-competitive, unfair and deceptive behavior aimed at driving Wireless Lifestyle and other
23 legacy Sprint retailers out of the marketplace.

24 78. T-Mobile refused to honor the 18-month post-merger time period of the Merger
25 Protection Agreement, even though it was required to do so for all eligible stores closed during
26 that period.

1 79. T-Mobile also systematically destroyed Wireless Lifestyle’s business in Puerto
2 Rico.

3 80. Prior to the merger, Wireless Lifestyle operated ten traditional stores, plus 16
4 additional “stores within stores” (Sprint kiosks located inside Walmart and Sam’s stores) in Puerto
5 Rico.

6 81. T-Mobile closed all of the traditional stores, even though they were not in
7 competition with T-Mobile locations.

8 82. Without the traditional stores, Wireless Lifestyle could not afford to just operate
9 the sixteen kiosk stores, which had much slimmer profit margins.

10 83. Wireless Lifestyle engaged in negotiations with two potential buyers for the kiosk
11 stores, but T-Mobile refused to approve the sale of the stores.

12 84. Instead, T-Mobile required Wireless Lifestyle to close the Puerto Rico stores and
13 would only pay Wireless Lifestyle \$14,500 as a “decommissioning” price per kiosk store, which
14 represented a significant loss to Wireless Lifestyle.

15 85. T-Mobile manipulated search engine results to divert internet traffic and potential
16 business away from Wireless Lifestyle and instead to preferred legacy T-Mobile retailers and
17 corporate stores.

18 86. Specifically, T-Mobile was suppressing search engine results for Wireless Lifestyle
19 locations so that they would not appear at all in a search engine query even though the internet
20 user was located in close or closest proximity to a Wireless Lifestyle store location.

21 87. After the Agreement Package was executed, T-Mobile also began reducing or
22 eliminating revenue streams that previously existed under the Sprint contracts and that T-Mobile
23 never represented would be impacted or changed under the Agreement.

24 88. Specifically, T-Mobile reduced or eliminated residual payments and other forms of
25 payment to Wireless Lifestyle.

1 89. T-Mobile also inequitably determined chargebacks and took an inordinate amount
2 of time to resolve chargeback issues, which hamstrung Wireless Lifestyle’s ability to accurately
3 document/forecast cash flow.

4 90. Upon information and belief, T-Mobile planned to institute these changes prior to
5 the execution of the Agreement Package but concealed this fact from Wireless Lifestyle to induce
6 it to execute the Agreement Package.

7 91. Prior to Wireless Lifestyle executing the Wind Down Addendum and Agreements
8 with T-Mobile, T-Mobile and Sprint stated that a dealer’s performance would be “the number 1
9 factor” for T-Mobile’s future plans.

10 92. But once T-Mobile’s fraudulently-induced and one-sided Agreement with Wireless
11 Lifestyle was in place, T-Mobile representative Doug Chartier admitted the truth in a December
12 10, 2020 call with a legacy Sprint dealer, stating: “T-Mobile only acquired Sprint for its network
13 assets, not real estate or dealer distribution.”

14 93. This was a new, completely different, and contradictory message than any that T-
15 Mobile or Sprint had previously communicated.

16 94. Throughout its relationship with Wireless Lifestyle (and other legacy Sprint
17 dealers), T-Mobile engaged in a pattern and practice of anti-competitive, unscrupulous, and
18 unethical conduct, from which it then sought to immunize itself through unfairly-induced releases
19 which were the product of misrepresentations, treachery, lack of consideration, and financial
20 duress created by T-Mobile.

21 95. Faced with the devastating impacts of T-Mobile’s fraud, deception, unfairness, and
22 hostility, Wireless Lifestyle attempted to reason with T-Mobile. Wireless Lifestyle sent two letters
23 to T-Mobile identifying the problems and requesting resolution.

24 96. T-Mobile willfully failed and refused to acknowledge its misconduct – much less
25 undertake any reasonable steps to correct it.

1 **F. T-Mobile’s Unlawful Conduct Forced Wireless Lifestyle to Exit a Business in Which**
2 **it Had Flourished for 16 Years.**

3 97. Before they were forced to do business with T-Mobile, Wireless Lifestyle’s
4 principals intended to either grow or maintain Wireless Lifestyle as a closely-held business, or to
5 grow the business and sell it for a profit. T-Mobile ruined either path for Wireless Lifestyle’s
6 future.

7 98. Once it became clear that T-Mobile’s actions would make it virtually impossible
8 for Wireless Lifestyle to survive, let alone succeed or grow, Wireless Lifestyle had little choice
9 but to exit the marketplace and sell its remaining business.

10 99. Even at this stage, T-Mobile tied Wireless Lifestyle’s hands and wrongfully
11 interred with Wireless Lifestyle’s efforts to mitigate its damages.

12 100. Wireless Lifestyle could only sell to two T-Mobile-approved buyers, and T-Mobile
13 threatened that if Wireless Lifestyle attempted to sell to a dealer other than those two buyers,
14 Wireless Lifestyle’s request for approval of sale would go to the “bottom of the pile” and would
15 not receive the same approval process that other dealers were getting from T-Mobile.

16 101. However, T-Mobile, which is required to approve all such sales, also instituted its
17 purported “acquisition freeze” that blocked a sale to even its approved dealers/buyers until
18 November 2020.

19 102. Upon information and belief, the “acquisition freeze” was a mere pretext to drive
20 down the selling price for Wireless Lifestyle’s, and other legacy Sprint dealers’, remaining assets
21 as T-Mobile allowed a number of acquisitions requested by its favored legacy T-Mobile dealers to
22 move forward during this time period.

23 103. Between August 1 and mid-November 2020, T-Mobile then announced the closing
24 of 18 of the 65 Wireless Lifestyle stores included in this sale.

25 104. T-Mobile’s announcement was contrary to its explicit representations via its
26 Director Scott Keen in May 2020.
27

1 105. T-Mobile stated that the additional closures were related to “business judgment.”
2 However, the basis for any judgments T-Mobile made were its own improper and anti-competitive
3 behavior, which prevented Wireless Lifestyle from performing to its potential, deflated its
4 performance metrics, impeded its ability to operate existing stores optimally, and precluded any
5 realistic opportunity for expansion or growth.

6 106. In short, T-Mobile relied on the Agreement (which it coerced and fraudulently
7 induced Wireless Lifestyle to sign) to eliminate almost all of Wireless Lifestyle’s stores while
8 simultaneously prohibiting Wireless Lifestyle from opening new locations (because T-Mobile
9 withheld its approval) or opening stores for a competing carrier (because the fraudulently induced
10 Agreement prohibited competition in any form).

11 107. Consistent with its intent and design, T-Mobile’s anti-competitive, unfair, and
12 deceptive conduct also ensured that Wireless Lifestyle’s remaining stores could not operate at the
13 levels they did prior to the Sprint/T-Mobile merger.

14 108. It was not only T-Mobile’s additionally announced store closures that harmed
15 Wireless Lifestyle in connection with this sale. Additionally, the sale price had been based on a
16 trailing 12-month performance period. Due the “acquisition freeze” delay, the value of that trailing
17 12-month performance period was substantially degraded because that period now included many
18 more months when T-Mobile had been actively interfering with the performance of Wireless
19 Lifestyle’s stores.

20 109. As a result, when the sale eventually closed in February 2021, it was for a greatly
21 reduced price. In fact, as a result of the “acquisition freeze,” Wireless Lifestyle was paid less than
22 25% of the sale price of the original contract with the buyer.

23 110. Even after forcing and manipulating the sale of Wireless Lifestyle’s remaining
24 stores for an incredible loss, T-Mobile could not resist taking one more parting shot at Wireless
25 Lifestyle.

1 111. After receiving T-Mobile's approval for the sale, Wireless Lifestyle made extensive
2 employee terminations or transitions and arrangements to exit its store leases.

3 112. Approximately four days before the closing date under the APA, and despite
4 already stating it would approve the APA, T-Mobile informed Wireless Lifestyle that T-Mobile
5 would withhold final approval of the transaction unless Wireless Lifestyle executed an Assignment
6 and Assumption Agreement that contained a putative general release of all of Wireless Lifestyle's
7 claims against T-Mobile.

8 113. T-Mobile intentionally waited to spring the release on Wireless Lifestyle until just
9 prior to the scheduled closing of the APA, knowing that Wireless Lifestyle could not afford to
10 refuse to sign the release and risk losing the deal.

11 114. This roll-out of putative releases always came after the dealer was in no position to
12 stop the sales transaction (which T-Mobile already fraudulently promised it would approve without
13 additional conditions) because, among other reasons, related employee terminations or transitions
14 and lease arrangements were already underway, and the selling dealer now faced a buyer who had
15 rights against the selling dealer if it halted the transaction.

16 115. In each case, the sale was only occurring in the first place because T-Mobile had
17 devastated the selling dealer's business, thereby forcing the selling dealer to exit the business.
18 Wireless Lifestyle's choices were simple: insolvency or fold to T-Mobile's unfair demands.

19 116. Under immense pressure, Wireless Lifestyle executed the Assignment and
20 Assumption Agreement and closed the asset purchase agreement on February 1, 2021. Due to T-
21 Mobile's anti-competitive conduct and improper interference with that transaction, the amount
22 Wireless Lifestyle received was approximately 25% of the agreed-upon price in the initial contract
23 with the buyer.

24 **G. Sprint, and Then T-Mobile, Maintained a Mislabeled Franchise Arrangement with**
25 **Wireless Lifestyle.**

26 117. Prior to the Sprint-T-Mobile merger, Sprint's relationship with Wireless Lifestyle
27 was a mislabeled franchise relationship.

1 118. Sprint's agreement with Wireless Lifestyle included a false statement that the
2 relationship was not a franchise.

3 119. After acquiring Sprint in the merger, T-Mobile unlawfully terminated the franchise
4 with Sprint.

5 120. Thereafter, T-Mobile's relationship with Wireless Lifestyle was a mislabeled
6 franchise relationship.

7 121. T-Mobile's agreement with Wireless Lifestyle included a false statement that the
8 relationship was not a franchise.

9 122. Both Sprint and T-Mobile engaged in unlawful conduct directed at Wireless
10 Lifestyle that violated applicable franchise law, including the Washington Franchise Act.

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

15 124. That marketing plan included, without limitation, sales of Sprint and T-Mobile-
16 branded goods and services through a network of independent authorized retailers, of which
17 Wireless Lifestyle was one, established by Sprint and T-Mobile in territories established by Sprint
18 and T-Mobile to create a distribution grid for Sprint and T-Mobile.

19 125. Wireless Lifestyle and other dealers were required to invest and take on substantial
20 risk to commit them to the retailer and distribution programs established by Sprint and T-Mobile.
21 Further, after the merger, T-Mobile forbade Wireless Lifestyle from making independent sales of
22 accessories, which reduced Wireless Lifestyle's profitability by hundreds of thousands of dollars
23 (approximately \$500,000) monthly.

24 126. Additionally, T-Mobile stripped Wireless Lifestyle and other legacy Sprint dealers
25 of any control over retail sales, including price adjustments and discounts for purchasers.

1 127. Wireless Lifestyle’s operation was substantially associated with the trademarks,
2 service marks, trade names, advertising, or other commercial symbols designating, owned by, or
3 licensed by Sprint, T-Mobile, and their affiliates.

4 128. Indeed, to a customer visiting a Wireless Lifestyle store, the store appeared to be a
5 Sprint- or T-Mobile-owned store because of the extensive Sprint or T-Mobile signage and their
6 logos appearing on the employee uniforms – all of which were mandated by Sprint and T-Mobile.

7 129. Wireless Lifestyle was required to pay to Sprint, and then to T-Mobile, directly or
8 indirectly, franchise fees. Those fees included, without limitation:

- 9 a. improper and unauthorized chargebacks against Wireless Lifestyle’s
10 commissions due from Sprint and T-Mobile;
- 11 b. the improper withholding of Wireless Lifestyle’s earned CSAs or residuals
12 post-merger;
- 13 c. the forced-purchase of furniture, uniforms, services, phones, and accessories
14 from Sprint- and T-Mobile-selected vendors, including Granite
15 Communications and Brightstar, which vendors, upon information and belief,
16 provided these goods and services to Wireless Lifestyle at a substantial mark-
17 up that was directly passed on to Sprint or T-Mobile;
- 18 d. the assessment of charges labeled as “penalties” or “fines” for items such as
19 missed training for employees, staff shortages, or findings in audits conducted
20 by or on behalf of Sprint or T-Mobile;
- 21 e. the required surrender of returned phones to Sprint or T-Mobile without any
22 refund to Wireless Lifestyle for any portion of the phones;
- 23 f. whenever there was a loss of goods (phones or accessories), which is a
24 guaranteed occurrence in any retail business due to damage, loss in transit, theft,
25 and other causes, T-Mobile required Wireless Lifestyle to pay it the full **retail**
26 price for the lost or stolen goods, which was considerably more than T-Mobile
27

1 had paid for those goods – this alone represented thousands of dollars in
2 disguised franchise payments to T-Mobile each month;

3 g. Sprint’s and T-Mobile’s receipt of funds from vendors in return for allowing
4 those vendors to advertise in Wireless Lifestyle stores;

5 h. charges for Wireless Lifestyle’s sales of accessories (which did not reflect mere
6 wholesale sales of accessories to Wireless Lifestyle by Sprint and T-Mobile at
7 wholesale);

8 i. markups on shipping fees; and

9 j. backend charges for co-op parts.

10 130. Both Sprint and T-Mobile failed to properly register as required for franchise
11 relationships and abused the franchise relationship. Further, Defendants unlawfully terminated the
12 Sprint franchise to Wireless Lifestyle when they forced the less favorable T-Mobile franchise
13 relationship upon Wireless Lifestyle.

14 **H. T-Mobile is Liable for the Acts of Sprint.**

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

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

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

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

25 **I. The Putative Releases Contained in the Sprint and T-Mobile Contracts are**
26 **Unenforceable.**

1 135. The putative releases, (1) paragraph 8 of the Wind Down Addendum to the
2 Authorized Representative Agreement between Sprint and Wireless Lifestyle and section 18.15 of
3 the T-Mobile Agreements (“2020 releases”), and (2) paragraph 5 of the Assignment and
4 Assumption Agreement between Wireless Lifestyle, the buyer, and T-Mobile (“2021 release”),
5 were fraudulently or unlawfully obtained and are unenforceable.

6 136. All releases lack consideration.

7 137. For the 2020 releases, T-Mobile compelled Wireless Lifestyle to forego its existing
8 Sprint contractual benefits and granted Wireless Lifestyle nothing in return beyond what Wireless
9 Lifestyle was already entitled to receive.

10 138. For the 2021 release, T-Mobile had already given verbal and written approval of
11 the APA with Wireless Vision.

12 139. The last-minute purported releases were unilaterally imposed on the APA by T-
13 Mobile, were not proper or authorized requirements for the APA process, and in exchange for
14 executing them Wireless Lifestyle received nothing to which it was not already entitled.

15 140. Separately, T-Mobile acquired the purported releases through unlawful coercion
16 and duress it imposed on Wireless Lifestyle, which independently renders the releases
17 unenforceable.

18 141. For the 2020 releases, T-Mobile threatened the destruction of Wireless Lifestyle’s
19 business if it did not sign, while simultaneously claiming Wireless Lifestyle was still bound by its
20 non-compete, chargeback, and other obligations under the Sprint dealer agreement.

21 142. Wireless Lifestyle had millions of dollars in recurring obligations for lease
22 payments, personal guarantees, wages, operating expenses, and debt service, and it faced a simple
23 choice: sign T-Mobile's rushed, non-negotiable adhesion contracts or go bankrupt.

24 143. Similarly, for the 2021 release, T-Mobile waited until the eleventh hour before the
25 closing of the APA to produce the 2021 release and demand Wireless Lifestyle sign it, knowing
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1 full well that Wireless Lifestyle could not afford to lose the APA or delay the APA's closing while
2 it challenged T-Mobile's improper demand for a release.

3 144. T-Mobile's modus operandi was to (1) first verbally approve dealers' sale of assets,
4 like it did with Wireless Lifestyle, and (2) wait until the last minute to spring the release, at which
5 point T-Mobile knew Wireless Lifestyle would be in no position to stop the sale because it had
6 made extensive final decisions such as employee terminations or transitions and lease
7 arrangements, and Wireless Lifestyle would face a buyer who had rights against it if it halted the
8 transaction.

9 145. Like the initial release, here too, Wireless Lifestyle's choices were insolvency or
10 fold to T-Mobile's unfair demands.

11 146. T-Mobile also induced all releases by fraud.

12 147. T-Mobile affirmatively misrepresented its intentions (and concealed its true
13 intentions) regarding store closures, lease renewals, growth, and support from the outset.

14 148. Then, after intentionally devastating the businesses of dealers like Wireless
15 Lifestyle, T-Mobile fraudulently represented it had approved the dealers' sales of their remaining
16 assets to another T-Mobile dealer, but knew it intended to threaten to retract its approval at the last
17 minute unless the selling dealer released all claims against T-Mobile.

18 149. In short, T-Mobile acquired all the releases through unfair and deceptive practices,
19 improper coercion and fraud, and without giving valid consideration, which renders the releases
20 void as a matter of law.

21 CAUSES OF ACTION

22 FIRST CLAIM FOR RELIEF: FRAUD AND FRAUDULENT INDUCEMENT

23 150. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
24 contained in the preceding paragraphs.

1 151. T-Mobile knowingly made the false representations to Wireless Lifestyle that it
2 would not subject Wireless Lifestyle to another significant reduction of its stores after the initial
3 round of closures and would allow Wireless Lifestyle to expand and grow.

4 152. T-Mobile further concealed its plans to massively cut Wireless Lifestyle's number
5 of locations, suppress its ability to succeed, and stifle its growth.

6 153. These representations and concealments were material and false.

7 154. Wireless Lifestyle entered into the Agreement based on T-Mobile's representations
8 that it would not subject Wireless Lifestyle to additional store closures based on T-Mobile's
9 misrepresentations and concealment.

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

12 156. T-Mobile knew at the time it made the representations that it intended to close an
13 unreasonable percentage of Wireless Lifestyle's stores within the first months of the Agreement.

14 157. T-Mobile made these misrepresentations and concealments of material facts with
15 the intent to deceive Wireless Lifestyle, and they were made as a material inducement to Wireless
16 Lifestyle to enter into the Agreement.

17 158. Wireless Lifestyle was deceived by the misrepresentations and would not have
18 entered into the Agreement for the agreed-to consideration but for the misrepresentations.

19 159. Wireless Lifestyle could not have learned the true facts through reasonable
20 diligence, and as a result, its reliance on T-Mobile's misrepresentations was justified and
21 reasonable.

22 160. T-Mobile's fraudulent misrepresentations and concealments of material fact
23 induced Wireless Lifestyle to forego the more beneficial terms of the Sprint contract and cheated
24 Wireless Lifestyle out of compensation to which Wireless Lifestyle was entitled under the Sprint
25 contract.

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

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

6 162. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
7 contained in the preceding paragraphs.

8 163. Wireless Lifestyle pleads negligent misrepresentation in the alternative to fraud and
9 fraudulent inducement.

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

14 165. T-Mobile knew that supplying this information to Wireless Lifestyle was done to
15 induce Wireless Lifestyle to enter into business transactions, particularly in executing the
16 Agreement.

17 166. T-Mobile was negligent in obtaining and communicating this false information to
18 Wireless Lifestyle.

19 167. Wireless Lifestyle reasonably relied on this false information in deciding whether
20 to execute the Agreement.

21 168. T-Mobile's false information proximately caused damages to Wireless Lifestyle.

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

24 **THIRD CLAIM FOR RELIEF: DECLARATORY JUDGMENT**

25 170. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
26 contained in the preceding paragraphs.

1 171. There is an actual and justiciable controversy among the parties regarding the
2 matters set forth in this Complaint.

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

8 173. The law, justice, and equity require a determination and declaration that the
9 relationships between Sprint and T-Mobile and Wireless Lifestyle were franchise relationships,
10 such that Sprint and T-Mobile are entitled to the benefits of a franchisee under applicable law.

11 **FOURTH CLAIM FOR RELIEF: BREACH OF SPRINT CONTRACT**

12 174. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
13 contained in the preceding paragraphs.

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

16 176. T-Mobile's and Sprint's conduct is the actual and proximate cause of damages to
17 Wireless Lifestyle.

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

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

22 178. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
23 contained in the preceding paragraphs.

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

26 180. T-Mobile's and Sprint's conduct is the actual and proximate cause of damages to
27 Wireless Lifestyle.

1 181. Wireless Lifestyle has suffered damages in an amount to be determined at trial, but
2 certainly in excess of \$50 million.

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

5 182. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
6 contained in the preceding paragraphs.

7 183. To the extent the Agreement is deemed to be a valid contract that was not
8 fraudulently induced, then T-Mobile is obligated by contract and common law to act in good faith
9 and to not do anything to deprive Wireless Lifestyle of the fruits and benefit of the Agreement.

10 184. T-Mobile breached this implied covenant of good faith and fair dealing and injured
11 Wireless Lifestyle's right to receive the benefits of the Agreement by engaging in the conduct
12 described herein, including, without limitation:

- 13 a. Systematically eliminating a disproportionate share of Wireless Lifestyle's
14 stores within the first few months of the Agreement;
- 15 b. Refusing to approve additional Wireless Lifestyle stores and building corporate
16 stores in proximity to existing Wireless Lifestyle locations; and
- 17 c. Otherwise suppressing Wireless Lifestyle's ability to succeed as described
18 herein.

19 185. T-Mobile's actions are contrary to Wireless Lifestyle's reasonable and justified
20 expectations under the Agreement.

21 186. T-Mobile's sweeping reduction of Wireless Lifestyle's stores and refusal to
22 approve additional stores frustrate the essential purpose of the Agreement and Wireless Lifestyle
23 is unable to obtain its full and expected benefits of the Agreement, including without limitation,
24 operating as a dealer of T-Mobile services and goods.

25 187. T-Mobile used the Termination of Locations provision to constructively gut the
26 essential purpose of the Agreement and to bind Wireless Lifestyle and its owners to a non-compete
27 agreement where they could not compete in the marketplace all while T-Mobile continued to

1 systematically eliminate Wireless Lifestyle stores, refused to allow it to open new stores, and
2 engaged in anti-competitive, unfair, and deceptive trade practices to guarantee that Wireless
3 Lifestyle’s remaining stores failed.

4 188. T-Mobile never intended to work with Wireless Lifestyle. It only wanted signed
5 Agreements that would constrain Wireless Lifestyle and hopefully obviate Wireless Lifestyle’s
6 ability to defend itself. Further, as T-Mobile possessed Wireless Lifestyle’s financial information,
7 it knew before Wireless Lifestyle signed the Agreement that its actions would effectively close
8 down Wireless Lifestyle.

9 189. T-Mobile’s abrupt and systematic reduction of Wireless Lifestyle’s stores, refusal
10 to approve additional store acquisitions, and anti-competitive conduct to destroy Wireless
11 Lifestyle’s remaining stores have already caused and will continue to cause Wireless Lifestyle to
12 suffer damages in an amount to be determined at trial, but certainly in excess of \$50 million.

13 **SEVENTH CLAIM FOR RELIEF: VIOLATION OF WASHINGTON UNFAIR**
14 **BUSINESS PRACTICES—CONSUMER PROTECTION ACT, RCW §§ 19.86.010 ET**
15 **SEQ.**

16 190. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
17 contained in the preceding paragraphs.

18 191. The Washington Consumer Protection Act (“CPA”) prohibits unfair methods of
19 competition and unfair or deceptive acts or practices in the conduct of any trade or commerce.
20 RCW 19.86.020.

21 192. In order to prove a CPA claim, a plaintiff must establish: (1) that the defendant
22 engaged in an unfair or deceptive act or practice, (2) that the act occurred in trade or commerce,
23 (3) that the act impacts the public interest, (4) that the plaintiff suffered injury to his or her business
24 or property, and (5) that the injury was causally related to the unfair or deceptive act.

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

- 1 a. Making false representations to induce Wireless Lifestyle to sign the
2 Agreement and coercing Wireless Lifestyle to do so or else forego the ability to
3 sell any T-Mobile phones or services;
- 4 b. Engaging in anti-competitive conduct to disadvantage and drive out Wireless
5 Lifestyle (and other legacy Sprint dealers) while not subjecting legacy T-
6 Mobile dealers to such conduct;
- 7 c. Manipulating Wireless Lifestyle's internet advertising and on-line presence so
8 customers searching for T-Mobile stores would not see Wireless Lifestyle's
9 stores, even when those stores were closer to them than other T-Mobile dealers;
- 10 d. Weaponizing the commercial relationship and using contractual terms to state
11 misrepresentations and to reading and applying terms to improperly operate in
12 an unfair fashion and contrary to the language and spirit of the contracts, read
13 completely in context, to cheat Wireless Lifestyle, suppress it, and effectively
14 drive it out of business; and
- 15 e. Representing in the Agreement that no franchise relationship would be created
16 but in fact, creating such a franchise relationship with Wireless Lifestyle,
17 thereby manipulating the contractual relationship and abusing Wireless
18 Lifestyle as a franchisee.

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

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

- 23 a. T-Mobile committed its anti-competitive acts in the course of its business;
- 24 b. T-Mobile's actions were part of a pattern or generalized course of conduct
25 which involved the intentional devastation of dealers like Wireless Lifestyle;
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- 1 c. T-Mobile's conduct is not isolated – it has engaged in a pattern and practice of
2 committing the wrongful actions and inactions addressed in this Demand – and
3 is harmful to wireless dealers, employees, and customers;
- 4 d. T-Mobile has driven several viable and successful businesses out of the
5 marketplace;
- 6 e. T-Mobile has not complied with the letter and spirit of the representations that
7 it made to state and federal authorities to obtain approval of the Sprint-T-Mobile
8 merger;
- 9 f. Given T-Mobile's pattern, there exists an ongoing potential for T-Mobile to
10 continue its unlawful conduct; and
- 11 g. T-Mobile's actions have affected and continue to affect a large number of
12 consumers.

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

16 197. Wireless Lifestyle is entitled to an award of damages caused by T-Mobile's
17 unlawful conduct, including reasonable attorneys' fees and statutory treble damages as provided
18 by RCW 19.86.090.

19 **EIGHTH CLAIM FOR RELIEF: VIOLATION OF WASHINGTON FRANCHISE**
20 **INVESTMENT PROTECTION ACT, RCW §§ 19.100.010 ET SEQ.**

21 198. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
22 contained in the preceding paragraphs.

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

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

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

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

- 8 a. T-Mobile granted Wireless Lifestyle rights to engage in the business of
9 offering, selling, and distributing goods and services under marketing plans pre-
10 designed by T-Mobile;
- 11 b. the business opportunity granted to Wireless Lifestyle was substantially
12 associated with a trademark, trade name, and other commercial symbols owned
13 by T-Mobile; and
- 14 c. T-Mobile collected disguised franchise fees from Wireless Lifestyle, which
15 included, *inter alia*, forcing Wireless Lifestyle into a consignment model
16 whereby Wireless Lifestyle was forced to buy accessories from a particular
17 vendor and then sell at T-Mobile's prices with substantially reduced margins
18 and forcing Wireless Lifestyle to buy phones from T-Mobile and no other
19 source.

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

- 22 a. Failing to deal with Wireless Lifestyle in good faith;
- 23 b. Requiring Wireless Lifestyle to purchase goods or services from T-Mobile or
24 from an approved source of supply in the absence of any lawful purpose
25 justified on business grounds;
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- c. Unreasonably and arbitrarily discriminating between legacy T-Mobile dealers and legacy Sprint dealers, such as Wireless Lifestyle, in business dealings;
- d. Requiring Wireless Lifestyle 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 Wireless Lifestyle standards of conduct such as forcing Wireless Lifestyle 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 without fairly compensating Wireless Lifestyle for the fair market value and good will;
- g. Threatening to and actually terminating Wireless Lifestyle'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.

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

205. Wireless Lifestyle 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).

NINTH CLAIM FOR RELIEF: UNJUST ENRICHMENT, QUANTUM MERUIT, OR DISGORGEMENT

206. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

207. To the extent that the Court determines a valid contractual relationship did not exist between Defendants and Wireless Lifestyle (because the Sprint contract expired and the T-Mobile

1 contracts were invalid), Defendants should be required to compensate Wireless Lifestyle for its
2 services, and the loss of its stores under the theories of unjust enrichment, quantum meruit, and
3 disgorgement.

4 208. Defendants received a benefit from the operation of stores and sales of Defendants'
5 goods and services and in forcing Wireless Lifestyle to close its stores.

6 209. These benefits were conferred at Wireless Lifestyle's expense.

7 210. Under the circumstances, it would be unjust for Defendants to retain the benefit
8 without fairly compensating Wireless Lifestyle.

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

10 212. Wireless Lifestyle is entitled to compensation or disgorgement in an amount to be
11 determined at trial, but certainly in excess of \$50 million.

12 **TENTH CLAIM FOR RELIEF: VIOLATION OF ILLINOIS'S CONSUMER FRAUD AND**
13 **DECEPTIVE BUSINESS PRACTICES ACT, 815 ILL. COMP. STAT. 505/2**

14 213. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
15 contained in the preceding paragraphs.

16 214. T-Mobile actions, as alleged above, constitute deceptive acts and practices under
17 the Illinois Consumer Fraud and Deceptive Business Practices Act.

18 215. T-Mobile intended that Wireless Lifestyle rely on its deceptive and false
19 representations, and T-Mobile admitted material facts about its post-merger plans in its discussions
20 with Wireless Lifestyle.

21 216. T-Mobile engaged in these deceptive acts in the course of trade or commerce;

22 217. T-Mobile's deceptive acts and practices affect the market generally and implicate
23 consumer protection concerns.

24 218. T-Mobile's conduct, as alleged above impacted Wireless Lifestyle business,
25 operations, locations, employees, and consumers in Illinois, and are subject to Illinois's Consumer
26 Fraud and Deceptive Business Practices Act.

1 219. T-Mobile’s deceptive acts are the actual and proximate causes of injury to Wireless
2 Lifestyle in Illinois and have caused damage to Wireless Lifestyle in an amount to be determined
3 at trial.

4 **ELEVENTH CLAIM FOR RELIEF: VIOLATION OF CALIFORNIA’S UNFAIR**
5 **COMPETITION LAW, § CAL. BUS. PROF. CODE § 17200**

6 220. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
7 contained in the preceding paragraphs.

8 221. California’s Unfair Competition Law (“UCL”), Cal. Bus. Prof. Code § 17200,
9 prohibits “any unlawful, unfair or fraudulent business act or practice,” as well as any “unfair,
10 deceptive, untrue or misleading advertising.”

11 222. T-Mobile actions as alleged above constitute unlawful, unfair and fraudulent
12 business acts and practices including.

13 223. T-Mobile’s conduct and representations were likely to deceive Wireless Lifestyle
14 and members of the public.

15 224. T-Mobile’s conduct and representations motivated Wireless Lifestyle to act or
16 refrain from action based on the truth or falsity of T-Mobile’s actions and representations.

17 225. T-Mobile’s conduct, as alleged above impacted Wireless Lifestyle’s business,
18 operations, locations, employees, and consumers in California, and are subject to the California
19 Unfair Competition Law.

20 226. T-Mobile’s unfair and fraudulent conduct is the actual and proximate cause of
21 injury to Wireless Lifestyle. As a result of its unfair and fraudulent business practices, T-Mobile
22 profited from Wireless Lifestyle and Wireless Lifestyle is entitled to restitution in an amount to be
23 determined at trial.

24 **TWELFTH CLAIM FOR RELIEF: VIOLATION OF NEW JERSEY’S CONSUMER**
25 **FRAUD ACT, § 56:8-2**

26 227. Wireless Lifestyle realleges, as if fully set forth herein, each and every allegation
27 contained in the preceding paragraphs.

1 228. New Jersey’s Consumer Fraud Act (“NJCFA”), N.J. Stat. Ann. § 56:8-2, prohibits
2 “the act, use, or employment by any person of any unconscionable commercial practice, deception,
3 fraud, false pretense, false promise, misrepresentation ... in connection with the sale or
4 advertisement of any merchandise.”

5 229. T-Mobile actions as alleged above were unconscionable, deceptive, and fraudulent
6 commercial practices within the scope of New Jersey’s Consumer Fraud Act.

7 230. T-Mobile’s conduct, as alleged above impacted Wireless Lifestyle’s business,
8 operations, locations, employees, and consumers in New Jersey, and are subject to New Jersey’s
9 Consumer Fraud Act.

10 231. T-Mobile’s unconscionable, deceptive, and fraudulent commercial practices are the
11 actual and proximate cause of injury to Wireless Lifestyle, and Wireless Lifestyle is entitled to
12 recover damages in an amount to be determined at trial.

13 **PRAYER FOR RELIEF**

14 Accordingly, Wireless Lifestyle respectfully requests that the Court grant it the following
15 relief:

16 A. Enter an award in favor of Wireless Lifestyle and against Defendants on each of
17 Wireless Lifestyle’s claims for relief;

18 B. Award Wireless Lifestyle its actual damages, which exceed \$50 million, plus
19 statutory treble damages, punitive damages, pre and post-judgment interest, attorneys’ fees, and
20 costs as allowed by law; and

21 C. Grant Wireless Lifestyle such other and further relief as is just and proper.

22 **JURY TRIAL REQUEST**

23 Wireless Lifestyle requests trial by jury on all issues so triable, as raised by its above
24 claims.

25
26 Respectfully submitted this 12th day of January 2022.

27 **KILPATRICK TOWNSEND & STOCKTON LLP**

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