FILED
2022 JAN 14 03:37 PM
KING COUNTY
SUPERIOR COURT CLERK
E-FILED
CASE #: 22-2-00790-7 SEA

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

C&C COMMUNICATIONS, 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 C&C Communications, LLC ("C&C" 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:

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.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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 for its pattern and practice of:

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. Forcing a fire-sale to another favored T-Mobile dealer at prices that T-Mobile unlawfully acted to depress; and

e. Attempting to evade responsibility for flagrant illegality with unlawfully induced and invalid putative releases.

3. 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 of people to lose their jobs, and negatively impacted numerous consumers locally and throughout the United States. The harm was especially prevalent for lower credit and rural customers.

4. Before it encountered Defendants' predatory conduct, C&C had been in business for approximately 14 years and was a very successful Sprint dealer, operating wireless stores in Oregon, California, Idaho, Utah, Texas, Oklahoma, and Washington and profitable business-to-

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

business wireless sales. But T-Mobile unlawfully devastated C&C's business. When the dust settled, only 37 of C&C's 89[1] stores remained to be sold at a T-Mobile-depressed value.

5. C&C brings this action to preserve the law and to recover for its injury.

PARTIES, VENUE, JURISDICTION, CHOICE OF LAW

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

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 King County, Washington under RCW 4.12.020 because King County is the county in which the cause of action or some part thereof arose.

11. Pursuant to RCW 4.28.185 Defendants submitted to the jurisdiction of this Court by transacting business in Washington state, committing a tortious act within Washington state, and owning, using, or possessing property situated in Washington state. This court has original jurisdiction under RCW 2.08.010.

[1] At the time of the Sprint-T-Mobile merger, (April 1, 2020), C&C had 89 stores. At one point, C&C had 107 locations.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

12. Without waiving its rights to contest the T-Mobile Agreements, C&C brings claims under Washington law and reserves the right to being claims under laws of the states in which it did business and suffered harm.

FACTUAL ALLEGATIONS

A. Background

13. Private and authorized dealers like C&C 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.

14. The dealers are small to medium sized, often family-owned businesses like C&C, 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.[2]

15. 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.

16. 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

[2] T-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.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

component of the dealers meeting their financial commitments. This fact is well known to T-Mobile, which abused its position of power and deliberately did not act in good faith.

B. Founding of C&C and Establishment of C&C's Relationship with Sprint.

17. From 2000 till early 2007, Mr. Robert Culp, C&C's principal, was employed with Sprint. In March 2007, Mr. Culp established C&C and opened his first Sprint location in Auburn, Washington.

18. Over the years, C&C excelled as a wireless products and services provider expanding its retail store footprint organically and through acquisitions across Washington and into Oregon, California, Idaho, Utah, Texas, and Oklahoma.

19. At the time of the Sprint-T-Mobile merger, C&C was party to an exclusive Authorized Representative Agreement and an Addendum thereto with Sprint (collectively, the "ARA"). There was significant time remaining on the term of the ARA, and C&C had no plans to wind down its operations or to close numerous stores, as its stores were performing well.

C. C&C Excelled as an Authorized Sprint Dealer and Expanded Its Footprint at Sprint's Behest.

20. At a dealer summit that took place during January 29-31, 2018, Sprint heavily encouraged dealers, including C&C, to grow and add new locations, especially near competitors like T-Mobile. In light of C&C's track record of success, Sprint encouraged C&C to expand in markets that Sprint considered strategic or beneficial to Sprint. Sprint consistently ranked C&C as one of its top dealers in the country, and over time, C&C received numerous awards for being one of the best Sprint dealers in the country. Over time, C&C grew to 94 stores with over 400 employees.

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

21. By late 2017, Sprint knew that it would soon be acquired by T-Mobile, but Sprint told C&C otherwise, assuring C&C (and other legacy Sprint dealers) that Sprint would remain a "stand-alone company." Sprint's CEO Marcelo Claure specifically made this statement.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

22. Sprint concealed the truth about the merger from C&C (and other dealers) and repeatedly encouraged C&C to open and acquire new stores, and specifically encouraged C&C (and other dealers) to open stores that were in close proximity to T-Mobile stores. Further, solely upon Sprint's encouragement, in January 2019, C&C became an authorized dealer for Boost Mobile and opened 12 Boost Mobile stores. Sprint misled C&C into believing that this venture would significantly profit C&C. Upon information and belief, these misrepresentations and concealments were made to protect Sprint's position in its negotiations with T-Mobile and to increase the profits that Sprint and its executives could extract through the coming merger, by encouraging continued dealer growth in competition with T-Mobile and by convincing successful businesses like C&C to remain with Sprint, notwithstanding Sprint's knowledge of the impending merger rumors.

23. Sprint knew at all times that the Boost venture would be a massive failure for the investing dealer, C&C. And that is what happened. C&C lost approximately $1 million during the 12 months it operated the Boost Mobile stores. With no chance of recouping its losses and to prevent further loss, C&C sold the 12 Boost Mobile stores on December 31, 2019. At the time of the sale, C&C had approximately $320,000 in inventory across the 12 Boost Mobile stores and in fact, C&C handed over that inventory to the buyer at no cost to persuade the buyer to close the deal.

24. Contrary to Sprint's representations, on April 29, 2018, Sprint and T-Mobile announced that they had reached a definitive merger agreement, which was inconsistent with the information that Sprint has provided to its dealers, including C&C.

E. Sprint and T-Mobile Merged, and T-Mobile Coerced and Fraudulently Induced C&C to Enter Into New Agreements with Pressure and Misrepresentations.

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

26. 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

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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."

27. 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.

28. **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.

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

30. **Second**, T-Mobile imposed massive store cuts, which far exceeded the cuts it had represented would occur. On or about April 19, 2020, representatives from T-Mobile met with C&C to present T-Mobile's post-merger dealer strategy as it pertained to C&C. In the presentation, T-Mobile:

a. announced the closure of 21 of C&C's 89 stores during the month of April, 2020 (24%), despite T-Mobile previously implying that closures would remain in the 10-15%;

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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

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

32. T-Mobile representative Doug Chartier assured C&C that it was "okay to shrink to regrow" and that T-Mobile wanted "best performers," including C&C, to be "well capitalized and in good financial position." Another T-Mobile representative, Cody Welker, told C&C that other dealers had lost many more doors than C&C had and that C&C's loss was "significantly less than" expected.

33. **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 C&C massive front-end fees in the form of withholding residual commissions that C&C was already entitled to receive from Sprint. Specifically, T-Mobile refused to pay and wrongfully withheld C&C's rightfully-earned CSAs for the stores it required C&C to close and substantially reduced the total payments for C&C's remaining CSAs.

34. **Fourth**, T-Mobile bullied C&C into signing one-sided and disadvantageous contracts, using wrongful coercion and economic duress that T-Mobile manufactured and leveraged to leave C&C with no viable economic choice but to sign. On or about May 5, 2020, T-Mobile sent C&C the documentation that would require C&C to wind down its existing agreements with Sprint, enter into numerous new Retailer Services Agreements (one for each geographic area in which C&C operated) with T-Mobile, and submit an individual guaranty executed by Mr. Robert Culp (collectively the "T-Mobile Agreement Package"). The Agreement Package consisted of 267 pages of legally dense, adhesion contracts, and despite the burdensome

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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, C&C had monthly lease, payroll, debt-service and other commitments that it could not meet unless it had an active carrier contract.

35. Notably, T-Mobile had wrongfully forecasted that it would refuse to honor the Sprint contracts T-Mobile had acquired. T-Mobile further advised C&C 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 C&C to sell any T-Mobile phones or services unless it signed the Agreement Package.

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

37. Callous to the difficulty it had imposed, and unwilling to negotiate, T-Mobile then rushed the signing of the T-Mobile Agreement Package. T-Mobile pressured C&C to sign these documents quickly and repeatedly emphasized that terms were non-negotiable and that to be a T-Mobile authorized dealer, C&C must sign these agreements.[3]

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

[3] C&C had no legitimate option of suing T-Mobile to avoid signing these Agreements, because, if it did not sign them, C&C 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 C&C). Indeed, T-Mobile has an unlawful pattern and practice of retaliating against dealers that stand up to it.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

39. When C&C communicated its concerns about the T-Mobile Agreement Package, including, among others, T-Mobile taking millions of C&C's rightfully-earned CSAs and the personal guaranty which was not only unfair, but also false inasmuch as they indicated that Mr. Robert Culp wanted to sign them, T-Mobile responded that it does not entertain redlines or make exceptions and all documents were non-negotiable.

40. T-Mobile also untruthfully represented that C&C would be subject to a corporate guaranty, not Mr. Robert Culp's personal guaranty.

41. As a practical matter, T-Mobile knew that C&C 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 C&C that the only options were to move forward with T-Mobile as a T-Mobile preferred retailer, close the business, or sell it.

42. But C&C 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 C&C sell the business because of T-Mobile's moratorium.

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

44. 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 C&C (and the legacy Sprint dealers generally).

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

45. Sprint and T-Mobile imposed additional financial distress on C&C when they withheld C&C's commissions during March and April 2020 and diverted them to Brightstar.

46. To make matters worse, effective May 4, 2020 (one day before T-Mobile sent the Agreement Package), Brightstar reduced C&C's device credit facility from $20 million to $3 million and required C&C to comply with the new credit facility limit and terms. The failure to do so would have precluded C&C from being a T-Mobile dealer. Further, after the merger, T-Mobile forbade C&C from making independent sales of accessories, which reduced C&C's profitability by hundreds of thousands of dollars on a monthly basis. In fact, C&C had approximately $730,000 worth of inventory that T-Mobile forbade it from selling, ultimately forcing it to liquidate that inventory for a meager amount of $20,000.

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

48. C&C was not able to renew its bank credit facility with all of the uncertainty from the merger, lease renewals, and initial round of 30% of store closures. This combination of circumstances entirely deprived C&C of the ability to meet its expenses of approximately $2.4 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. Some of the lease obligations were personally guaranteed by Mr. Culp.

49. Under such distress, which was T-Mobile's fault, C&C had no alternative to signing the Agreement Package other than going bankrupt and losing the family, generational business that had existed for more than 13 years.

50. Even then, prior to executing the Agreement Package, C&C 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.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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

52. 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 C&C, to grow by adding new locations in new areas with the intent of having T-Mobile dealers scale to 100 stores over time.

53. Indeed, multiple different T-Mobile representatives repeatedly assured C&C that T-Mobile would facilitate expansion and growth by C&C.

54. T-Mobile knew – but concealed from C&C – that it would only be allowed to shrink, but never grow, unless a dealer was a favored T-Mobile dealer. As C&C was not a favored legacy T-Mobile dealer, C&C experienced a mandated "shrink, but not grow" strategy forced by T-Mobile, and T-Mobile intentionally planned and structured the Wind Down Addendum[4] and other pre- and post-merger activities to put C&C and other small family-owned dealers like C&C in a position that they could not grow.

55. Upon information and belief, at that time T-Mobile knew that it would make multiple additional closures of C&C stores and there would be additional rounds of closures, and T-Mobile fraudulently concealed this fact from C&C.[5]

56. C&C signed the 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

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[4] The Wind Down Addendum was horribly one-sided. It provided limited "door closing benefits" for stores (referred to in the business as "doors") that C&C did not want to close, and disproportionately took away benefits for those stores that C&C had always enjoyed under the Sprint Agreements. For example, the Wind Down Addendum robbed C&C 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. Under Sprint, C&C received residuals for a customer sale at a location even after that location closed. Under T-Mobile, C&C did not.

[5] 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.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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 Mr. Robert Culp's personal guaranty, despite previously and untruthfully representation that only a corporate, not a personal guaranty, would be needed.

57. 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.

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

58. The T-Mobile Agreements provide for five year terms. T-Mobile represented that it was providing C&C with a 5-year agreement instead of the 6-month agreement it was offering other legacy Sprint dealers because C&C 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 C&C to reduce the likelihood of competition with T-Mobile.

59. The T-Mobile Agreements provide that the parties can only terminate them for material, uncured default. T-Mobile unilaterally interpreted the Agreement to evade this limited termination provision by relying on other provisions of the Agreement to shut down C&C's business without any uncured default by C&C.

60. The T-Mobile Agreements provide that a party can close a C&C store for any reason or no reason with at least 120-days' written notice. They go on, however, to limit this right for C&C 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.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

61. 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 C&C's future to T-Mobile's good faith, which, it turned out, would be non-existent.

62. 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 C&C, 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.

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

64. The T-Mobile Agreements (and the Wind Down Addendum) also purported to include releases. However, as indicated above, those releases are invalid because they were the product of fraud, coercion, and overriding economic duress created by T-Mobile.[6]

65. 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 C&C and Instituted Additional Closures Despite Representations to the Contrary.

66. Shortly after the Sprint-T-Mobile merger, T-Mobile began engaging in a litany of anti-competitive, unfair and deceptive behavior aimed at driving C&C and other legacy Sprint

[6]T-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 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.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

retailers out of the marketplace.

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

a. Required C&C to sign the Sprint Wind Down Addendum concurrently with the T-Mobile RSA Agreement;

b. Closed of C&C's 29 stores (nearly 30%) despite representing to C&C that its closures would remain in the 10-15% range and committing that there would be a similar number of closures for legacy Sprint and T-Mobile dealers;

c. Forecasted additional closures of C&C's stores at unfair and unforeseeable (to C&C) percentages that effectively drove C&C to either fire sale the business or go out of business itself;

d. Kept C&C's earned CSAs or residuals for closed stores;

e. Reduced C&C and other legacy Sprint dealers earned CSAs or residuals and provided more time for CSAs to be reduced on the backend with customer deactivations;

f. Continued to chargeback for customer deactivations for 180 days for the 29 stores T-Mobile closed while simultaneously confiscating all earned CSAs or residuals payable to C&C for these same stores;

g. Held all store lease renewal decisions until November 17, 2020, causing C&C 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;

h. 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;

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1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

i. Distorted performance metrics in favor of T-Mobile preferred dealers by among other things, allowing preferred competing dealers to by-pass customer traffic trackers, which skewed performance data and put C&C at a competitive disadvantage;

j. Took control of internet marketing for C&C, but then impaired C&C's search engine optimization at the outset such that customer internet searches for T-Mobile produced hits for legacy T-Mobile stores, but not C&C, and only persons looking for Sprint (which had been merged out of existence) were directed to C&C;

k. 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 C&C's ability to gauge its financial and operational success and its ability to prevent returns that undermined sales efforts;

l. Prevented C&C from either (1) upgrading its own customers to new services or products or (2) 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;

m. Forced C&C 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;

n. Dramatically undersupplied C&C with device inventory causing high volume stores to be without customer desired and promotional devices to sell;

o. Acted inconsistently with T-Mobile's prior (fraudulent) representations about the number of C&C rural stores that would be eligible for a per-store monthly

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SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

SPIFF commission by providing "updated" store designations only after the T-Mobile Agreements were signed;

p. Upon information and belief, 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 C&C could receive for selling its locations to other dealers when T-Mobile's misconduct was driving C&C out of the marketplace, (2) improperly reducing the number of viable, successful dealers who could purchase C&C's assets, and (3) encouraging T-Mobile-preferred dealers to offer artificially low offers to buy C&C and other dealers;

q. Colluded to limit the number of dealers to whom C&C could sell its business and to effectively cap the available prices;

r. Engaged in other improper actions and inactions that demoralized C&C's ownership, management, and staff; and

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

68. Against this backdrop, and after T-Mobile had assured C&C that it would not be subject to additional closures, T-Mobile began closing more doors. In fact, from June, 2020 till May, 2021, T-Mobile closed 17 more C&C locations. T-Mobile set 13 more locations for closure to occur in October, 2021.

69. T-Mobile stated that the additional closures were related to business judgment. However, the basis for any judgments T-Mobile made were its own improper and anti-competitive behavior, which prevented C&C from performing to its potential, deflated its performance metrics, impeded its ability to operate existing stores optimally, and precluded any realistic opportunity for expansion or growth.

70. T-Mobile was completely aware that it had eliminated C&C's stores while simultaneously prohibiting C&C and its principals from opening stores for a competing carrier

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(206) 626-7713 FAX: (206) 260-8946

(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 C&C's remaining stores would not operate at the levels they did prior to the Sprint-T-Mobile merger.

71. Unfortunately for C&C and other comparably-situated dealers, upon information and belief, T-Mobile wanted Sprint's cellular network and customers, but not, as a general rule, Sprint's dealers. T-Mobile generally preferred to work with the existing T-Mobile dealers with which it had existing relationships, and wanted to reduce the compensation, size, and market share of the legacy Sprint dealers like C&C without paying full value for the store reductions and lost value T-Mobile caused, and indeed, mandated.

H. T-Mobile's Unlawful Conduct Pressured C&C to Exit a Business in Which it Had Flourished For Nearly 14 Years.

72. Before he was forced to do business with T-Mobile, C&C's principal Mr. Culp intended to either grow or maintain C&C as a closely-held business or to grow the business and sell it at a significant profit. T-Mobile ruined either path for C&C's future.

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

74. Even at this stage, T-Mobile tied C&C's hands: C&C could only sell to T-Mobile-approved buyers at a fire sale.

75. During April 2021, C&C and a T-Mobile-approved buyer (the "Buyer"), agreed to the terms of an Asset Purchase Agreement ("APA"), which T-Mobile verbally approved. The sale price reflected the massive damage T-Mobile had done to C&C's business.

76. T-Mobile decided to take one last shot at C&C: on or about June 30, 2021, less than one week before the date set for closing of the APA, T-Mobile provided C&C an Assignment and Assumption Agreement which contained a putative general release of claims which was required for C&C to sell the business. This release had not been discussed previously and no new

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1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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. T-Mobile told C&C that it would withhold final approval of the transaction unless C&C executed the Assignment and Assumption agreement which contained the putative release of claims.

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

78. C&C 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, C&C had no choice because: (a) C&C had already been financially devastated by T-Mobile's unlawful conduct and thus 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) C&C now faced the Buyer who had rights against C&C if it halted the approved transaction, which T-Mobile knew, and (d) C&C 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.

79. For no consideration and under business compulsion and financial duress created by T-Mobile, C&C was forced to sign the Assignment and Assumption Agreement, without which T-Mobile claimed it would not approve the APA sale. Thereafter, C&C and the Buyer closed the APA on July 3, 2021, with C&C selling 51 of its remaining stores. For 14 of those 51 doors, C&C received no value because T-Mobile placed them on the "expected to close" list, but upon information and belief, some of those 14 stores continued to operate. In other words, while C&C sold 51 doors, it only received value for 37 doors.

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

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

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SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

81. Sprint's agreement with C&C included a false statement that the relationship was not a franchise.

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

83. Thereafter, T-Mobile's relationship with C&C was a mislabeled franchise relationship.

84. T-Mobile's Agreement with C&C included a false statement that the relationship was not a franchise.

85. Both Sprint and T-Mobile engaged in unlawful conduct directed at C&C that constituted violations of applicable law.

86. Both Sprint and T-Mobile granted C&C 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.

87. 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 C&C 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. C&C 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 C&C from making independent sales of accessories, which reduced C&C's profitability by hundreds of thousands of dollars on a monthly basis.

88. C&C'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 C&C store, the store appeared to be a Sprint- or T-Mobile-owned store because of the extensive Sprint or T-Mobile signage,

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1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

branded marketing materials, and their logos appearing on the employee uniforms -- all of which were mandated by Sprint and T-Mobile.

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

a. confiscated significant CSAs to which C&C was rightly entitled as a condition of C&C doing business as a T-Mobile retailer, including the withholding and reduction of C&C's earned CSAs or residuals post-merger for the closed locations;

b. improper and unauthorized chargebacks against C&C's commissions due from Sprint and T-Mobile;

c. the forced-purchase of furniture, uniforms, services, software licenses, phones, and accessories from Sprint- and T-Mobile-selected vendors, which vendors, upon information and belief, provided these goods and services to C&C at a substantial mark-up that was directly passed on to Sprint or T-Mobile;

d. the assessment of charges labeled as "penalties," "fees," "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;

e. the required surrender of returned phones to Sprint or T-Mobile without any return to C&C for any phones Sprint or T-Mobile charged or offset C&C commissions;

f. Sprint's and T-Mobile's receipt of funds from vendors in return for allowing those vendors to advertise in C&C stores;

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1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

g. charges to C&C for missing accessories and devices or demos, which charges, upon information and belief, are in excess of T-Mobile's cost;

h. markups on co-op shipping fees, uniforms, and required vendors;

i. other processing fees and backend charges.

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

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

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

92. 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.

93. 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.

94. 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.

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

96. All releases lack consideration. For the Wind Down Addendum and the T-Mobile Agreements, T-Mobile compelled C&C to forego its existing Sprint contractual benefits and

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SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

withheld C&C's earned CSAs but enforced its obligations under the Sprint contract. For the Assignment and Assumption Agreement, T-Mobile had already given verbal approval to sell. The subsequent, last-minute releases, which were not proper requirements, offered nothing additional for C&C, the selling dealer.

97. T-Mobile acquired all releases by exerting illegal pressure on C&C 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 C&C to its non-competition, chargebacks, and other obligations. C&C had millions of dollars in contractual obligations for lease payments (some of which were backed by a personal guaranty) 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 the eleventh hour for a sales transaction closing on July 3, 2021, which sales transaction subjected C&C to liability to the Buyer if the sales transaction did not close after T-Mobile's approval was provided (which approval was provided verbally on during April, 2021). In addition, related employee terminations or transitions and lease arrangements were already underway and would need unwinding.

98. Indeed, T-Mobile's modus operandi was to (1) first verbally approve dealers' sale of assets, like it did with C&C, and (2) wait until the last minute to spring the release, at which point, and T-Mobile knew, C&C 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 C&C faced a buyer who had rights against it if it halted the transaction. Like the initial release, here too, C&C's choices were insolvency or fold to T-Mobile's unfair demands.

99. 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

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1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

unreasonably engaged in anti-competitive behavior that destroyed C&C'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.

CAUSES OF ACTION
FIRST CLAIM FOR RELIEF: FRAUD AND FRAUDULENT INDUCEMENT

100. C&C realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

101. T-Mobile knowingly made the false representations to C&C regarding the number of store closures and the compensation that would be available from T-Mobile.

102. T-Mobile further concealed its plans to massively cut C&C's number of locations and suppress its ability to succeed, and foreclose its growth.

103. These representations and concealments were material and false.

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

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

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

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

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

109. C&C 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.

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SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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

111. As a direct and proximate result of T-Mobile's and Sprint's fraudulent misrepresentations, C&C has suffered damages in an amount to be determined at trial, but certainly in excess of $25 million.

112. WHEREFORE, C&C respectfully requests that this Court render judgment for C&C and award C&C 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)

113. C&C realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

114. C&C pleads negligent misrepresentation in the alternative to fraud and fraudulent inducement.

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

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

117. T-Mobile was negligent in obtaining and communicating this false information to C&C.

118. C&C reasonably relied on this false information in deciding whether to execute the Agreement.

119. T-Mobile's false information proximately caused damages to C&C.

120. As a result of T-Mobile's negligent misrepresentations, C&C has suffered damages in an amount to be determined at trial, but certainly in excess of $25 million.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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

THIRD CLAIM FOR RELIEF: DECLARATORY JUDGMENT

122. C&C realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

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

124. 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 C&C remained 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 C&C.

125. 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.

126. 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.

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

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SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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

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

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

131. 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.

132. 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 C&C remained in contract with Sprint and was entitled to the rights, privileges, and payments and is limited to the obligations set out in the Authorized Representative Agreement between Sprint and C&C; and

b. The putative releases contained in the Wind Down Addendums, Retailer Service Agreements, and the Assignment and Assumption Agreements are void and without effect; and

c. The relationships between Sprint and T-Mobile and C&C were franchise relationships, such that C&C is entitled to the benefits of a franchisee under applicable law; and

d. Such other declarations as the Court deems just and proper.

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

133. C&C realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

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

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1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

135. T-Mobile's and Sprint's conduct is the actual and proximate cause of damages to C&C.

136. C&C has suffered damages in an amount to be determined at trial, but certainly in excess of $25 million.

137. 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

138. C&C realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

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

140. T-Mobile's and Sprint's conduct is the actual and proximate cause of damages to C&C.

141. C&C has suffered damages in an amount to be determined at trial, but certainly in excess of $25 million.

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

142. C&C realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

143. 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 C&C of the fruits and benefit of those agreements.

144. T-Mobile breached the T-Mobile Agreements as previously set forth herein and the implied covenant of good faith and fair dealing and injured C&C's right to receive the benefits of

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1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

the T-Mobile Agreements by engaging in the conduct described herein, including, without limitation:

a. Systematically eliminating a disproportionate share of C&C's stores within the first 6 months of the T-Mobile Agreements;

b. Refusing to approve additional C&C stores and re-opening (and keeping) stores after forcing C&C to close them;

c. Otherwise suppressing C&C's ability to succeed as described herein; and

d. Improperly labeling C&C's stores as at risk while C&C was under contract to sell those stores.

145. T-Mobile's actions are contrary to C&C's reasonable and justified expectations under the T-Mobile Agreements.

146. T-Mobile's sweeping reduction of C&C's stores and suppression activities frustrated the essential purpose of the Agreement and C&C 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.

147. T-Mobile used a termination of locations provision to constructively gut the essential purpose of the Agreement while C&C and its owners were supposedly subject to a non-compete clause – all while T-Mobile continued to systematically eliminate C&C stores and engaged in anti-competitive, unfair, and deceptive trade practices to guarantee that C&C's remaining stores failed (as evidenced by, e.g., the reopening of stores after C&C was forced to close them and more favorable lease-renewal dates after C&C sold the stores to the Buyer).

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

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

149. T-Mobile's misconduct cause C&C to suffer damages in an amount to be determined at trial, but certainly in excess of $25 million.

150. 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.

151. C&C realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

152. The Washington Consumer Protection Act ("CPA") prohibits unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce. RCW 19.86.020

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

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

a. Making false representations to induce C&C to sign the T-Mobile Agreements and coercing C&C 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 C&C (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

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SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

completely in context, to cheat C&C, 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 C&C, thereby manipulating the contractual relationship and abusing C&C as a franchisee.

155. 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.

156. 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 C&C;

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.

157. C&C has suffered damages in an amount to be determined at trial, but certainly in excess of $25 million.

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SEATTLE, WA 98101
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158. T-Mobile's unfair and deceptive conduct is the actual and proximate cause of injury to C&C and has caused damages to C&C in an amount to be determined at trial, but certainly in excess of $25 million.

159. C&C 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 WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW §§ 19.100.010 ET SEQ.

160. C&C realleges, as if fully set forth herein, each and every allegation contained in preceding paragraphs.

161. 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.

162. 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.

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

164. 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 C&C 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 C&C 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 C&C.

165. 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:

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SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

a. Failing to deal with C&C in good faith;

b. Requiring C&C 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 C&C, in business dealings;

d. Requiring C&C 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 C&C standards of conduct such as forcing C&C 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 C&C for the fair market value and good will;

g. Threatening to and actually terminating C&C'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.

166. As a result of T-Mobile's violations of franchise law, C&C has suffered damages in an amount to be determined at trial, but certainly in excess of $25 million.

167. C&C 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 CAUSE OF ACTION: ILLEGAL CIVIL CONSPIRACY

168. C&C realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

169. 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.

170. 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.

171. 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, Marcello Claure (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).

172. 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

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

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

175. WHEREFORE, C&C respectfully request that this Court render judgment for C&C and award C&C damages, court costs, pre-judgment interest, and such other relief as this Court

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

176. C&C realleges, as if fully set forth herein, each and every allegation contained in the preceding paragraphs.

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

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

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

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

179. These benefits were conferred at C&C's expense.

180. Under the circumstances, it would be unjust for Defendants to retain the benefit without fairly compensating C&C.

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

182. C&C is entitled to compensation or disgorgement in an amount to be determined at trial, but certainly in excess of $25 million.

183. 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, C&C respectfully requests that the Court grant it the following relief:

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

B. Award C&C its actual damages, which exceed $25 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 C&C such other and further relief as is just and proper.

KILPATRICK TOWNSEND & STOCKTON LLP
1420 FIFTH AVENUE, SUITE 3700
SEATTLE, WA 98101
(206) 626-7713 FAX: (206) 260-8946

Respectfully submitted this 14th day of January 2022.

KILPATRICK TOWNSEND & STOCKTON LLP

By *s/ Macaulay Ivory*

Macaulay Ivory, WSBA No. 57858
mivory@kilpatricktownsend.com
1420 5th Avenue, Suite 3700
Seattle, WA 98101
Telephone: 206.467.9600
Fax: 206.623.6793
Counsel for Plaintiffs C&C Communications, LLC