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12 **UNITED STATES DISTRICT COURT**  
13 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

14 TERESA GUTIERREZ and  
15 MICHAEL CAMOU, individually,  
and on behalf of all others similarly  
16 situated,

17 Plaintiffs,

18 v.

19 SPRINT CORPORATION,

20 Defendant.

CASE NO.: 2:21-cv-03865

**CLASS ACTION COMPLAINT**

**DEMAND FOR JURY TRIAL**

21 **CLASS ACTION COMPLAINT**

22 Plaintiffs Teresa Gutierrez and Michael Camou, individually, and on behalf of  
23 all others similarly situated (the “Class”), bring this action against Sprint Corporation  
24 (“Sprint” or “Defendant”). Plaintiffs make the following allegations pursuant to the  
25 investigation of counsel and based upon information and belief, except to the  
26 allegations specifically pertaining to them, which are based upon personal knowledge.

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**I. NATURE OF THE ACTION**

1. This class action arises from unconscionable contracts entered into between Sprint and customers of Sprint’s Flex Lease Agreement program (“Flex Lease program” or “Flex Lease plan”).<sup>1</sup> The Sprint Flex Lease program purports to provide customers options in order to obtain mobile phone devices (the “Devices”) at a supposedly low monthly cost, through monthly installment payments and the ability to cancel the contracts after a set time period. In reality, however, consumers pay significantly more than the value of their Devices due to Sprint’s ongoing monthly charges after the lease terms end, or are required to make additional payments at the end of the initial lease term for customers who want to own their devices, or are unable to cancel the program after the termination of the lease period despite attempting to do so.

2. Customers report being told, at or around the initiation of their Flex Lease programs, that they would be notified when they were nearing the end of the plan periods and informed of their options.<sup>2</sup> In fact, numerous customers claim that

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<sup>1</sup> Sprint variously refers to this program by several different names, including “Sprint Flex program,” “Flex Lease Program,” and “Flex Lease Agreement”; regardless of name, all plans bear the characteristics that give rise to the claims alleged herein.

<sup>2</sup> One consumer entered into a Flex Lease plan in the summer of 2017 to obtain a new phone for her daughter, who was headed to college in the Fall. She was told by Sprint that the phone would cost about \$800 and that she would be required to make payments of \$42 per month for 20 months, which would cease in or around the Spring of 2019. She was also told that Sprint would contact her one month before the plan ended to offer her the opportunity to keep the phone and to end the monthly payments. In or about November 2018, she contacted Sprint to cancel her plan after Sprint’s coverage in her area became unreliable. The Sprint CSR offered to “move” her to a T-Mobile plan but did not disclose that there was cost associated with the move. Within a few hours after the call, she was charged a \$1,200 termination fee; she immediately called Sprint to have her plan reinstated to which Sprint agreed – and charged her a \$45 reconnection fee. Subsequently, in 2020, she contacted Sprint to see how many payments remained before the phone would be paid off. She was advised that she had “missed” her opportunity to cancel – despite having never been

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1 they were never notified—either before or after the exhaustion of the initial Flex  
2 Lease plan—of the option to pay off the Device at the end of the lease term so that  
3 they continue making monthly payments indefinitely.

4 3. Other customers who notify Sprint after their leases end that they want  
5 to own their Devices report being unaware or misled when they learn that their  
6 ongoing monthly payments have not applied to the price to own the Devices so that  
7 they are required to make an additional payoff payment (either in one lump sum or on  
8 a monthly basis) to own the Devices, which results in consumers’ payments to Sprint  
9 in amounts well over the value of the Devices -- after consumers have already paid  
10 their full value.

11 4. Customers who attempt to cancel their contracts by returning their  
12 phones find that their efforts are intentionally frustrated.<sup>3</sup>

13 5. Customers who call to exercise their option of paying off their Devices  
14 or cancelling their leases by returning their phones are sent to the website, and  
15 customers who have gone to the website to pay off their Devices are asked to call or  
16 use the chat function. Customers have reported being sent to confusing webpages  
17 where the links to purchase the Devices are hidden, or receiving emails from Sprint  
18 that are sent by a third-party, such as “InfoRequest,” and thus overlooked. Customers  
19

20 \_\_\_\_\_  
21 notified of the opportunity. As of February 2021, she had made over 30 monthly  
22 payments for her Device, paying over \$1,000 over the purchase price and continued  
23 to make those monthly payments given a lack of options.

24 <sup>3</sup> One consumer who leased three phones from Sprint through the Flex Lease  
25 program called Sprint and asked to purchase his phones after the lease expired, but  
26 was told that he could only do so online. When he went online to purchase his  
27 phones and end the lease, the web page was slow and the link to purchase was  
28 hidden in various menus. He was unable to accomplish the purchase of his leased  
phones. When he later realized the lease payments were not going toward the payout  
cost of the devices, he went back onto the website where he was advised that he had  
to call Sprint or use the chat function to cancel his lease. He spent 45 minutes in the  
Chat function with Sprint, but the customer service representative (“CSR”) was  
unable to facilitate the purchase and had to escalate his case.

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1 have had issues with contacting Sprint’s customer service, being told they would  
2 receive a call back that never came.<sup>4</sup> Customers have also been forced to wait on hold  
3 on a call or in the chat function for lengthy wait times.<sup>5</sup>

4 6. Flex Lease plan customers have also experienced Sprint’s refusal to  
5 accept Devices for return – even if they have minimal wear -- or have been told that  
6 they were ineligible for the buyout option.<sup>6</sup> Customers have been told that they were  
7 a poor credit risk, making them ineligible for upgrade so the only remaining options  
8 available to them were to pay the buyout costs or to continue to rent the Device.<sup>7</sup>

9 7. Without a realistically available option to own their Devices or cancel  
10 their leases, customers are left paying to lease their Devices indefinitely.

11 8. Accordingly, Plaintiffs bring this action to redress Sprint’s violations of  
12 California’s Unfair Competition Law (“UCL”) (Cal. Bus. & Prof. Code §§ 17200 *et*  
13 *seq.*), California’s Consumer Legal Remedies Act (“CLRA”) (Cal. Civ. Code §§ 1750

14 \_\_\_\_\_  
15 <sup>4</sup> Another consumer entered into two Flex Lease agreements in 2016 that he  
16 understood would expire in 2018. He was not advised by Sprint that, if he did not  
17 take action, his payments would continue indefinitely without applying toward the  
18 cost of the phone. As of January 2021, he had contacted Sprint multiple times  
19 seeking a resolution – each time being told by Sprint CSRs that his calls were being  
escalated and that someone will return his call in three to five days. His calls have  
not been returned. He has continued to be charged more than \$38 per month per  
phone for over four years.

20 <sup>5</sup> *See supra* note 3 (customer reported spending 45 minutes in the chat function and  
being unable to reach a resolution).

21 <sup>6</sup> An additional consumer entered into a Flex Lease that extended until November  
22 2019. Since November 2019, she has paid more than \$494 and been told she needs  
23 to pay an additional \$111.66. She has contacted Sprint but was advised that it will  
not accept the phone as a return because it has a small crack, though it remains in  
working condition.

24 <sup>7</sup> A California resident entered into a contract with Sprint for a Galaxy Note in 2018.  
25 She understood she would pay \$39 per month for installment payments and would  
26 have the option of upgrading within six to nine months. More than nine months  
27 later, she contacted Sprint seeking an upgrade in April 2020. She was told that she  
was a poor credit risk, despite that she had always paid her cell phone bills on time,  
and was ineligible for upgrade. She was told she could instead buy her phone  
outright and lower her monthly payments to \$14 per month. She agreed to do so, but  
28 it took three months for the lowered monthly charge to come into effect.

1 *et seq.*), and to seek recovery for common law fraud, conversion and unjust  
2 enrichment.

3 **II. PARTIES**

4 **PLAINTIFFS**

5 **Plaintiff Teresa Gutierrez**

6 9. Plaintiff Teresa Gutierrez is a resident of Downey, California.

7 10. On or about December 7, 2017, Plaintiff Gutierrez leased two 64GB  
8 iPhone 8 Devices through Sprint’s Flex Lease program.

9 11. From approximately December 2017 to May 2019, or 18 months,  
10 Plaintiff Gutierrez paid \$36.76 per month for each Device (including taxes and fees)  
11 for a total payment of \$661.68 per Device.

12 12. Plaintiff Gutierrez understood that after she had made 18 monthly  
13 payments on her Devices, the payments would represent the value of the Devices, or  
14 approximately \$661.68 per Device.

15 13. Plaintiff Gutierrez further understood that after making 18 monthly  
16 payments for each Device, she would own both of them outright.

17 14. On or about May 7, 2019, Plaintiff Gutierrez received an email from  
18 Sprint indicating that, “It’s time to choose your next move!” and that “Sprint Flex  
19 gives you flexibility and puts you in control. It’s time to ‘Flex’ your potions – buy it,  
20 upgrade, return it or continue leasing.” To own the Device, she was told:

21 Love the phone you have? Buy it in one lump sum or in six monthly  
22 payments any time after your 17<sup>th</sup> month is billed. Tap Buy now and  
23 sign in. Find the phone, click the 3 dots to the right and choose View  
24 agreement. App users tap Next steps for your device.

25 15. Plaintiff Gutierrez wished to own her Devices, but because she  
26 understood that she had already paid more than their full value at the time she received  
27 the email from Sprint, she declined to pay the proposed “one lump sum” of \$199.87  
28 or “six monthly payments” of \$33.31/month.

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1           16. So, Plaintiff Gutierrez continued making monthly lease payments of  
2 \$36.76 per month from May 2019 through the date of this Complaint.

3           17. As a result of Sprint’s unconscionable Flex Lease program, Plaintiff  
4 Gutierrez has been harmed and suffered damages, including, but not limited to  
5 overpayments for Device leases, excessive purchase prices for Devices, termination  
6 fees, and inconvenience.

7           **Plaintiff Michael Camou**

8           18. Plaintiff Michael Camou is a resident of Paso Robles, California.

9           19. On or about June 7, 2019, Plaintiff Camou leased a Samsung Galaxy  
10 S10E through Sprint’s Flex Lease program.

11           20. From approximately June 2019 to December 2020, or 18 months,  
12 Plaintiff Camou paid \$33.52 monthly (including taxes and fees) for a total payment  
13 of \$603.36 for his Device.

14           21. Plaintiff Camou understood that after he had made 18 monthly payments  
15 on his Device, the payments would represent the value of Device, or approximately  
16 \$603.36.

17           22. After Plaintiff Camou finished paying the installments on his Device, he  
18 contacted Sprint because he wished to own it outright. He was advised that he could  
19 not own it until he completed an additional nine monthly payments of \$20.84, or  
20 \$187.56 total.

21           23. Because Plaintiff Camou wishes to own his Device outright, he is  
22 currently paying nine additional payments of \$20.84 after having already made 18  
23 monthly payments for the Device and paying the full amount of its value.

24           24. As a result of Sprint’s unconscionable Flex Lease program, Plaintiff  
25 Camou has suffered and been subjected to various damages, including, but not limited  
26 to overpayments for Device leases, excessive purchase prices for Devices, termination  
27 fees, and inconvenience.

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1 **DEFENDANT**

2 25. Defendant Sprint is incorporated in the state of Kansas and  
3 headquartered in Overland Park, Kansas. Sprint sells and leases phones, entertainment  
4 devices, and related accessories.

5 26. On or about April 1, 2020, Sprint merged with T-Mobile US, but the  
6 Sprint brand continues to exist presently and upon information and belief Sprint users  
7 have not yet experienced a change to account maintenance.<sup>8</sup>

8 **III. JURISDICTION AND VENUE**

9 27. This Court has subject matter jurisdiction over this action pursuant to the  
10 Class Action Fairness Act, 28 U.S.C. § 1332, because: (i) there are 100 or more Class  
11 members; (ii) there is an aggregate amount in controversy exceeding \$5,000,000,  
12 exclusive of interest and costs; and (iii) there is minimal diversity because at least one  
13 plaintiff and one defendant are citizens of different states.

14 28. This Court has supplemental jurisdiction over the state law claims  
15 pursuant to 28 U.S.C. § 1367.

16 29. This Court has personal jurisdiction over Sprint because it has conducted  
17 substantial business in this District, and intentionally and purposefully placed Devices  
18 under its Flex Lease program into the stream of commerce within California and  
19 throughout the United States.

20 30. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391  
21 because Sprint regularly transacts business in this district, is subject to personal  
22 jurisdiction in this District, and, therefore, is deemed to be a citizen of this district.  
23 Additionally, Sprint advertises in this District and has received substantial revenue  
24

25  
26 <sup>8</sup> See <https://www.t-mobile.com/support/account/t-mobile-sprint-merger-faqs> (last  
27 visited March 5, 2021);  
28 [https://www.sprint.com/en/support.html?adobe\\_mc=MCMID%3D71497888640700623583522160713689070718%7CMCORGID%3D1358406C534BC94D0A490D4D%2540AdobeOrg%7CTS%3D1615921654](https://www.sprint.com/en/support.html?adobe_mc=MCMID%3D71497888640700623583522160713689070718%7CMCORGID%3D1358406C534BC94D0A490D4D%2540AdobeOrg%7CTS%3D1615921654) (last visited March 16, 2021).

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1 and profits from its sales and leases of Devices under its Flex Lease program in this  
2 district. Therefore, a substantial part of the events and/or omissions giving rise to the  
3 claims herein occurred, in part, within this district.

4 **IV. FACTUAL ALLEGATIONS**

5 **A. Sprint’s Flex Lease Program**

6 31. Sprint offers a variety of wireless and mobile broadband products,  
7 including wireless and wireline operations, internet services, ethernet services, web  
8 services, telecommunications relay services, wireless voice and data services, and  
9 mobile devices and broadband for the home. Sprint offers wireless and mobile  
10 broadband products from a range of manufacturers, including Apple, BlackBerry,  
11 HTC, Kyocera, LG, Motorola, Samsung, Sharp, Sonim, and ZTE. Sprint sells and  
12 leases its wireless Devices through retail stores located throughout the United States  
13 with retail prices ranging from a few hundred to a few thousand dollars.

14 32. In July 2017, Sprint introduced its Sprint Flex program,<sup>9</sup> which—  
15 according to Sprint—“gives customers the opportunity to enjoy their phone before  
16 deciding what option (upgrade, continue leasing, return or buy) works best for their  
17 lifestyle.” Further,

18 Depending on device type, certain leases carry an option to upgrade to a new  
19 device annually prior to expiration of the lease. The terms of our lease and  
20 installment billing contracts require that customers maintain service otherwise  
21 the balance of the remaining contractual obligation on the device is due upon  
22 termination of their service. The subsidy program, which has been de-  
23 emphasized, requires a long-term service contract and allows a subscriber to  
24 purchase a device generally at a discount. In our non-Sprint branded postpaid  
25 plan, we offer devices through an installment billing program while requiring  
26

27 \_\_\_\_\_

28 <sup>9</sup> See *supra* note 1.



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1 service to be purchased on a prepaid basis. The majority of Sprint's current  
2 postpaid handset activations occur on our Sprint Flex leasing program.<sup>10</sup>

3 33. With the Sprint Flex Lease, “Sprint owns the phone.” Customers may  
4 “lease it with affordable monthly payments and at the end of [their] agreement [their]  
5 options are to: (1) Upgrade it, (2) Own it by paying the remaining balance, either in  
6 one payment (contacting the online chat agent may be required for this) or in nine  
7 monthly installment payments, (3) Continue leasing month-to-month (these payments  
8 do not apply to the purchase of the [Device]), (4) Return it.” The Flex Lease plan  
9 purports to have “low out-of-pocket costs and an annual upgrade option.”<sup>11</sup>

10 34. Sprint markets and advertises that “[i]t’s easy to get your lease details  
11 online or in the My Sprint mobile app.”<sup>12</sup>

12 35. Sprint also markets and advertises that “[i]t’s easy to get your upgrade  
13 details online or in the My Sprint mobile app.” However, customers are unable to  
14 easily find lease details regarding the terms of the Flex Lease and are unable to easily  
15 find or understand details regarding their upgrade options under the Flex Lease  
16 program.<sup>13</sup>

17  
18  
19  
20  
21 <sup>10</sup> Sprint, Annual Report for the fiscal year ended March 31, 2019 at p. 2 (available  
22 at:  
23 <https://www.sec.gov/Archives/edgar/data/101830/000010183019000022/sprintcorp201810-k.htm#s8925A97DDFA55204808914F6529AC721> [last visited March 10,  
2021]).

24 <sup>11</sup> <https://www.sprint.com/en/support/sprint-flex-lease.html#1> (last visited March  
25 10, 2021).

26 <sup>12</sup> <https://www.sprint.com/en/support/sprint-flex-lease.html#1> (last visited March  
27 10, 2021).

28 <sup>13</sup> Plaintiff Gutierrez was never told that the monthly lease payment would continue  
after the original 18-month lease agreement. To date, she has paid over \$1,400 for  
her two phones, which she does not yet own—and has been advised by Sprint that  
she would need to pay \$187 per phone to own them.

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1           36. Sprint markets and advertises that customers have the following options  
2 regarding their Devices when their Flex Lease ends. Sprints’ Lease & Flex Lease page  
3 includes the following “Popular questions and answers”:

4           What is Flex Lease and how does it work?

5  
6           With Flex Lease, Sprint owns the phone. You lease it with affordable monthly  
7 payments and at the end of your agreement your options are to:

- 8
- 9           • Upgrade it
- 10           • Own it by paying the remaining balance, either in one payment (contacting
- 11           the online chat agent may be required for this) or in nine monthly
- 12           installment payments
- 13           • Continue leasing month-to-month (these payments do not apply to the
- 14           purchase of the phone)
- 15           • Return it<sup>14</sup>

16  
17           37. However, at the time of purchase, the end-of-lease options under the  
18 terms of the Flex Lease program are not clearly communicated to customers by Sprint  
19 representatives.<sup>15</sup> In particular, customers are not advised that they will have to pay

20 \_\_\_\_\_  
21 <sup>14</sup> <https://www.sprint.com/en/support/sprint-flex-lease.html#1> (last visited March 10,  
22 2021). On the same page, Sprint includes another discussion of “What happens  
23 when my lease ends?” which contains similar – but not identical – options and  
24 which tells consumers that they may be required to contact the online chat agent to  
25 pay of

26 <sup>15</sup> A New Jersey resident contacted Sprint on February 19, 2021 when he noticed  
27 that discounts on his plan had expired after the eighteenth month of his Flex Lease.  
28 He was told by representatives that his only options were to continue the lease  
(though payments would not apply toward the cost of the phone), send the phone  
back, or upgrade. However, when he first signed up for the Flex Lease program and  
spoke with a Sprint representative, he inquired specifically about what his obligation  
would be after the expiration of 18 months. He was assured then that he would only  
be responsible for paying the monthly charge for six more months, after which he

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1 an additional amount to own their devices as a “remaining balance” once they have  
2 fulfilled the requirements of their lease and paid the value of their Devices.

3 38. Customers who attempt to understand the terms of their Flex Lease plans  
4 at a later date are unable to find details pertaining to the options they have under the  
5 Flex Lease through Sprint’s website. Customers who contact Sprint seeking to  
6 understand the terms of their Flex Lease are left further confused because they are  
7 told conflicting information about their end-of-lease options.<sup>16</sup>

8 39. Nor are customers informed at the time they purchase their Devices  
9 regarding the purported requirement to contact Sprint at the end of the lease to select  
10 an option, or that – if they did not contact Sprint – that Sprint would deem them to  
11 have chosen to make indefinite monthly payments for their Devices. This requirement  
12 is not listed under “What happens when my lease ends?” on the Sprint Lease & Flex  
13 Lease Popular questions and answers webpage.<sup>17</sup>

14 40. Despite Sprint’s reference to apparently straight-forward options for  
15 ending consumers’ monthly payments when their Flex Lease agreements end, the  
16 options are in fact confusing and difficult for consumers to utilize so that they  
17 continue being charged monthly payments for the Devices.

18 41. When customers realize that their leases have ended but that Sprint has  
19 not notified them of their options – so that they are deemed to have accepted the  
20 default indefinite monthly payments imposed upon them -- they have contacted Sprint

21 \_\_\_\_\_  
22 would own the phone.

23 <sup>16</sup> See *supra* note 3. Further, An individual in New Jersey was told by  
24 representatives that his only options were to continue the lease (though payments  
25 would not apply toward the cost of the phone), send the phone back, or upgrade.  
26 However, when he first signed up for the Flex Lease program and spoke with a  
27 Sprint representative, he had inquired specifically about what his obligation would  
28 be after the expiration of 18 months. He was assured then that he would only be  
responsible for paying the monthly charge for six more months, after which he  
would own the phone.

<sup>17</sup> <https://www.sprint.com/en/support/sprint-flex-lease.html#1> (last visited March  
10, 2021).

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1 to complain about the lack of notification. In response, Sprint customer service  
2 representatives advise customers that they had been notified when, in fact, they had  
3 not been.

4 42. For customers who are aware that their leases have ended and who opt  
5 to own their phones by pay the “remaining balance,” they expect that they have  
6 already paid the full balance on their Devices because their monthly payments during  
7 the lease term approximate the full value of the Devices. Sprint does not advise  
8 customers at the point of sale that their monthly payments will not be sufficient to  
9 cover the payoff amount for the Devices, or that there will be a remaining balance at  
10 the close of the 18-month Flex Lease agreement.

11 43. In fact, customers who have made monthly installment payments on their  
12 Devices in excess of 18 months, and who seek to own their Devices, are told that they  
13 must pay hundreds of dollars to buyout their Devices—even after their payments  
14 exceed the value of the Devices.<sup>18</sup> Other consumers who seek to own their phones  
15 outright are instead persuaded to move to new plans which require ongoing payments  
16 for the Devices, and are presented with obstacles when trying to end the lease.<sup>19</sup>

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18 <sup>18</sup> A Missouri resident entered a Flex Lease for a phone from Sprint in 2018. She  
19 understood that, beginning in August 2018, she would pay a monthly lease fee of  
20 \$33.34 for 19 payments, or a total of \$600.12. Then after 18 months, she would pay  
21 a flat fee of \$199.88 and own the phone. Together, the 18 monthly payments and the  
22 \$199.88 fee would pay off the \$800 cost of the phone. The 18-month term of the  
23 Flex Lease expired in or around February 2020. Later in the year 2020, when  
24 looking into purchasing devices for his children, he realized he had been paying the  
25 \$33.34 per month for the phone. He calculated that he had paid over \$934. When he  
26 contacted Sprint seeking resolution, he was told he still had to pay the fee of  
27 \$199.88 in order to end the contract.

28 <sup>19</sup> For example, when a California resident contacted Sprint in July 2020 to end his  
lease and pay the buyout fee, Sprint instead moved him to a new plan that put a \$30  
cap on his monthly calling and texting charges; however, this change adversely  
affected his service. So, one month later, he again called Sprint back and requested  
to pay off his lease and cancel his contract. This time, he was told that his contract

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1 44. Customers who decide to return their phones and terminate their  
2 ongoing payments to Sprint following the end of their leases are often unsuccessful  
3 in canceling their leases. For example, some customers are told that they are required  
4 to return their Devices using Sprint’s return kits, but do not receive the kits in the mail  
5 despite repeated requests for them.<sup>20</sup>

6 45. Customers who have made installment payments in excess of 18 months  
7 and entered into the month-to-month period of the Flex Lease may pay indefinitely  
8 for Devices that have a market value of much less than the total of their payments.

9 46. Indeed, a recent account statement for Plaintiff Gutierrez’s Devices  
10 indicates that her plans are both called: “Apple iPhone 8 Plus 64GB *Forever*” Leases  
11 (emphasis added).

12 47. The time limitations and notification requirements contained in Sprint’s  
13 Flex Lease program’s end-of-lease options are unfair, unconscionable and inadequate  
14 to clearly communicate the responsibilities of Plaintiffs and members of the Class.  
15 Among other things, Plaintiffs and Class Members had no meaningful choice in

16 \_\_\_\_\_  
17 would be canceled if he clicked on an email that would be sent to him by Sprint.  
18 Because the email was sent by “InfoRequest” rather than by Sprint, it took him  
19 several days to locate it before he was able to click on it and – finally – end his  
20 monthly payments.

21 <sup>20</sup> One Texas resident who had been a Sprint customer since 1999 leased an iPhone  
22 from Sprint in 2017. She understood her monthly payment was about \$40 and that she  
23 would have paid it off after about 18 payments. In September 2019, she purchased a  
24 new phone from the Apple store and called Sprint to terminate service on her prior  
25 phone. Sprint verbally agreed, but continued to charge her \$40 monthly. In December  
26 of 2020, she realized that Sprint had failed to discontinue the monthly charge as  
27 promised, so she called Sprint to notify them that she was being overcharged. During  
28 the call, Sprint verbally agreed to credit her for the months she had paid since she had  
canceled the plan and to send a return kit for the old phone. By March 2021, she had  
not received a return kit from Sprint, so she contacted them once again and they  
promised to mail a return kit. On or about April 4, 2021, she received a call from  
Sprint asking for more information in order to be able to send the return kit and was  
told that it would be sent after another seven-to-ten days.

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1 determining these time limitations or notification requirements, the terms of which  
2 unreasonably favored Sprint. Customers report that attempts to contact Sprint to  
3 negotiate the terms of the Flex Lease are unsuccessful. A gross disparity in  
4 information and bargaining power exists between Sprint and the Class Members, and  
5 Sprint knew or should have known that the terms of the Flex Lease program  
6 agreement were unfair and ambiguous at the time of contracting and would lead to  
7 confusion and unfair overpayments with respect to the value of the Devices in  
8 question and excessive fees.

9 48. The mandatory arbitration and class action waiver contained in Sprint’s  
10 Flex Lease program’s agreement is unfair, unconscionable, and inadequate to protect  
11 the rights of Plaintiffs and members of the Class. Among other things, Plaintiffs and  
12 Class Members had no meaningful choice in determining these dispute resolution and  
13 arbitration obligations requirements, the terms of which unreasonably favored Sprint.  
14 Customers report that attempts to contact Sprint to negotiate the terms of the Flex  
15 Lease are unsuccessful. A gross disparity in information and bargaining power existed  
16 between Sprint and the Class Members, and Sprint knew or should have known that  
17 the terms of the Flex Lease program agreement were unfair and ambiguous at the time  
18 of contracting and would lead to confusion and unfair overpayments with respect to  
19 the value of the Devices in question and excessive fees.

20 49. Shortly after the Sprint Flex Lease program came into existence, news  
21 coverage of the program described consumers’ frustration with the extended lease  
22 payments paid by them that did not apply to purchase of their phones.<sup>21</sup> In response  
23 to that article, another news source reported that Sprint Senior Vice President of  
24 Corporate Communications, David Tovar, defended Sprint’s lease program structure,

25  
26

27 <sup>21</sup> <https://www.kansascity.com/news/business/technology/article185873858.html>  
28 (last visited March 16, 2021).

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1 saying that “‘we are a publicly traded company’ where only a ‘small percentage’ of  
2 customers end up paying more than a phone’s full price.”<sup>22</sup>

3 50. Indeed, in its 2018 Annual Report, Sprint advised the U.S. Securities and  
4 Exchange Commission that: “Our device leasing program exposes us to  
5 risks, including those related to the actual residual value realized on returned devices,  
6 higher churn and increased losses on devices.”<sup>23</sup>

7 51. Plaintiffs and the Class Members have complied with all obligations  
8 under the Sprint Flex Lease program agreement, or otherwise have been excused from  
9 performance of said obligations as a result of Sprint’s conduct described herein.

10 **B. Consumer Complaints about the Sprint Flex Lease program**

11 52. The following representative complaints in online forums demonstrate  
12 the widespread nature of consumers’ issues with Sprint’s Flex Lease program:

13 **Consumer No. 1:**

14 “Today I discovered that Sprint's new Flex Plan program (the newly  
15 implemented replacement for the previous iPhone forever and Android  
16 forever plans) is intentionally orchestrated so that you will not end up owning  
17 your device even after 18 months of paying toward the lease.

18  
19 Unlike every other major carrier who applies your monthly lease charges to  
20 eventually owning the device, Sprint requires that you VERBALLY opt into  
21 this option or else the device will belong to them forever. If I had not  
22 discovered this by accident, they will happily charge you the \$20-30/mo lease  
23 fee FOREVER. They can end up charging you x2 or x3 or more of the

24  
25  
26 <sup>22</sup> <https://bgr.com/2017/11/27/sprint-flex-lease-costs-problems/> (last visited March 16, 2021).  
27 <sup>23</sup> Sprint, Annual Report for the fiscal year ended March 31, 2019 at p. 2 (available  
28 at: <https://www.sec.gov/Archives/edgar/data/101830/000010183019000022/sprintcorp201810-k.htm#s8925A97DDFA55204808914F6529AC721> [last visited March 10, 2021]).

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1 original cost of the device, and at the end of all that it will still not belong to  
2 you. I have paid double the value of this iPhone 6s and I still have to pay  
3 \$174 to them to officially own the device. This is a downright scandal and  
4 absolutely unscrupulous treatment of customers.

5  
6 I am a corporate employee and even I was caught off guard by this insanity.  
7 I'm unsure of how it can be legal at all, and their in store systems keep  
8 "failing" to process this change, leading me to believe that they never  
9 intended for anyone to own their device at a fair market cost in the first place.

10  
11 Very disturbed.”<sup>24</sup>

12  
13 **Consumer No. 2:**

14 “Sprint's Flex Lease program is designed for you to get a phone through them  
15 for 18-months, and upgrade to the newest/latest model for another 18-months.  
16 After the 18-months, they give you the option to pay off your phone either  
17 over the next 6-months in monthly installments, or in one lump sum payment.  
18 I'm currently on month 23 out of 24 (I got my phone in Feb. '18).

19  
20 After the 18 months, I called Sprint and talked about my options for  
21 upgrading, but ultimately decided on paying it off and keeping the phone. I  
22 also asked people in the store TWICE (while I was considering the Samsung  
23 Galaxy S10) if I can just continue paying on the phone and it will be paid off.  
24 They confirmed that you can do that both times.

25  
26  
27 <sup>24</sup> [https://www.reddit.com/r/Sprint/comments/6x1bsp/the\\_flex\\_lease\\_program\\_is\\_a\\_scam/](https://www.reddit.com/r/Sprint/comments/6x1bsp/the_flex_lease_program_is_a_scam/)  
28 Posted by u/Rosieforthewin 3 years ago (last visited March 17, 2021).



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1 I called Sprint today to pay the last \$41.67 installment, when the  
 2 representative told me that the phone payoff is \$249 and change. I about blew  
 3 a gasket. I told them I called 5 months ago to make it clear I wanted to pay the  
 4 phone off, AND spoke to store reps TWICE who confirmed I just needed to  
 5 keep paying it. The lady on the phone confirmed my phone call from August  
 6 was listed as 'disconnected', thus the lease was never cancelled by Sprint. The  
 7 lady also told me that the five previous payments of \$41.67 were part of an  
 8 extended lease, and thus did not count towards the paying down of the phone  
 9 to own it. **In theory, if I didn't say anything about this for the next 5**  
 10 **years, I'd have to make 60 payments of \$41.67, which is good in total for**  
 11 **nearly 3 more iPhone X's at current value.**

12  
 13 After getting mad, they offered me two months of phone payment credit  
 14 (\$41.67 x 2-mo) if I agreed to pay off the phone that day. I told her I'm no  
 15 longer going to pay another dime on the phone, and being a Sprint customer  
 16 since 2005 I'd like to swap my phone for one I won't have to pay anything on.  
 17 Long story short, after making it clear I would not be paying another dime  
 18 after being misinformed three times, they counted the five months of payment  
 19 towards the payoff of the phone.

20  
 21 IF you're leasing through Sprint, make sure you call and get verification that  
 22 your lease has been cancelled after the first 18 months, and your future phone  
 23 payments are going towards the payoff of the phone! Do NOT let them rip  
 24 you off by not telling you your lease is up and your payments are now going  
 25 towards an 'extended lease'.

26  
 27 **TL;DR** - I apparently did not make it clear enough to the people at Sprint (all  
 28 3 times) that I wanted my last 6 months of payments to go towards paying off

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1 my phone. It was listed as an 'extended lease' after the first 18 months, so the  
2 last 5 payments I made were not counted towards paying off the phone.  
3 Luckily, I got the issue resolved, but I can only imagine how many others are  
4 being screwed by this.”<sup>25</sup>

5

6 **Consumer No. 3:**

7 “This lease is a scam. . . . I bought a Samsung S8 in Nov 2017. The device  
8 cost \$750. I signed up to pay \$31.25 every month. I have so far paid  
9 \$1062.25. The device was paid off completely in 24 months. Its 34 months  
10 now. I called up Sprint to refund the extra \$312 . I had been to the store in Jan  
11 2020 to ask for my phone to be repaired. The guy told me it was better to  
12 complete the lease in a few months time as it would cost more to get it  
13 repaired. Since it was a simple screen crack, I decided to wait.

14

15 [In] the past 3 days , I have spent close to 10 hours speaking to 6 different  
16 people-

17

. . .

18 Daniel(her supervisor) who point blank said **Sprint will not return the**  
19 **money**. I asked him- had I not called in the next 10 years, would Sprint  
20 continue to charge me and he said he saw nothing wrong if I paid \$3000 for a  
21 \$750 phone. Conv id- I996242117.

22

. . .

23 1. I signed an agreement in Nov 2017. The agreement you sign, its fine  
24 print is not available anywhere. My account – my documents where it is

25

26

27 <sup>25</sup>[https://www.reddit.com/r/personalfinance/comments/es5rsz/be\\_careful\\_when\\_you](https://www.reddit.com/r/personalfinance/comments/es5rsz/be_careful_when_you_get_a_phone_using_sprint_flex/)  
28 [get\\_a\\_phone\\_using\\_sprint\\_flex/](https://www.reddit.com/r/personalfinance/comments/es5rsz/be_careful_when_you_get_a_phone_using_sprint_flex/) Posted by u/SandmanSupMan 1 year ago (last visited March 17, 2021).

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1 supposed to be is EMPTY. **Essentially- you cannot see the original [f]ull**  
2 **length contract agreement once it is signed.** The agreement is not  
3 available on line. See attachments 1 and 2 .

4 So if you don't remember when exactly you signed the contract, you are  
5 stepping into the first pothole.

6  
7 2. If you go to your online account- only 13 previous month payments are  
8 available at any point of time. SO YOU CANNOT FIGURE OUT when the  
9 contract started. See attachment 3.

10  
11 3. The **summary of the contract lines out what** happens in 18 months. It  
12 does NOT spell out specifically what happens after the amount is paid off. IT  
13 ambiguously allows Sprint to charge you for a device that has been paid off  
14 long ago. **You can end up paying DEFINITELY more than the cost of the**  
15 **device.** This can happen to most people and probably does going by the  
16 number of complaints on the forum. Sprint considers this additional revenue  
17 and brags about it. Its representatives endorse it .

18  
19 4. Even after paying \$1062 for a \$750 device, numerous conversation with  
20 the representatives, it still says- SPRINT owns the phone and I must pay \$42  
21 to OWN it again!!"<sup>26</sup>

22  
23 **Consumer No. 4:**

24 "I reached the end of my 18-month Flex lease plan. I'm now ready to purchase  
25

26  
27 <sup>26</sup>

28 [https://www.reddit.com/r/cellphones/comments/iw1413/sprint\\_flex\\_lease\\_is\\_a\\_scaumbeware/](https://www.reddit.com/r/cellphones/comments/iw1413/sprint_flex_lease_is_a_scaumbeware/) Posted by u/Customer56 5 months ago (last visited March 17, 2021).

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1 my device. **But, I cannot.** Why? Because I live in a state (NY) where  
2 purchasing "goods" is prohibited. To me, this is scandalous and should have  
3 been brought to my attention two-years ago or during the 18-month time  
4 period.

5  
6 During the life of the flex lease program, I was always reminded by Sprint  
7 customer service, "You have the option to own your phone at the end of the  
8 lease or return it back to us." In fact, a billing expert went into the account  
9 and did calculations for how much I'll be paying at the end of my lease plan --  
10 - \$42.00 a month until I pay off the \$250.00 to fully own the device.

11  
12 Here I am, at the end of my lease plan and I'm unable to do that.

13  
14 **What are my options?** Pay the extended lease plan price (\$42.00 per month)  
15 or upgrade my device.

16  
17 This is quite unfair. I'm not sure why there's a law to govern Sprint from  
18 being able to sell their rented "goods" to customers, but why didn't NY Sprint  
19 store employees made customers aware of this before they sign the contract?  
20 It's safe to say that I was lied to.

21  
22 And I find this to be illegal. Lying to customers in order to make a sale is an  
23 illegal business practice if caught. Furthermore, it's on the contract and I'm  
24 aware that it's on the contract. But why tell a customer they'll be able to  
25 purchase the device at the end of their contract but when they go to do it,  
26 they're unable to?

27  
28 I'm thinking about filing a report with the FTC, also filing a report with NY

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1 Attorney General, and also contacting Sprint via e-mail so this matter can be  
2 further explored.

3  
4 I'm upset for a few reasons:

5  
6 > My expectations were built up due to a false business practice: lying to the  
7 customer in order to acquire a sale and a locked-in contract.

8  
9 > Employees building up expectations throughout the life of the lease only to  
10 realize a customer cannot own their device at the end in the states where  
11 "goods" cannot be purchased.

12  
13 > The rent price is the same as the "extended lease" price.

14  
15 > Words are being used interchangeably to manipulate customers: "rent  
16 charge" versus "extended lease fee." Sprint customer service says, "The rent  
17 charge fee is the extended lease fee." However, the contract fine-print says  
18 otherwise. Then, goes into explaining how the rent charges are determined.

19  
20 > I'm upset that I cannot own my device. But I'm required to either pay the  
21 extended lease amount, upgrade the device, or return it."<sup>27</sup>

22  
23 **Consumer No. 5:**

24  
25 \_\_\_\_\_

26 <sup>27</sup>  
27 [https://www.reddit.com/r/Sprint/comments/keoafz/flex\\_lease\\_extremely\\_unhappy\\_i](https://www.reddit.com/r/Sprint/comments/keoafz/flex_lease_extremely_unhappy_i)  
28 [ve\\_reached\\_the\\_end/](https://www.reddit.com/r/Sprint/comments/keoafz/flex_lease_extremely_unhappy_i) Posted by u/thisfilmkid 2 months ago (last visited March 17,  
2021).

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1 Kelsey of Twin Falls, ID  
2 Original review: Jan. 16, 2021  
3 I signed up with them and was told on the spot at Sprint that I was signing up  
4 for an 18-month flex plan. I purchased a phone with them and signed up for  
5 unlimited everything. I was told that my monthly bill would be \$70. I was  
6 also told that I could get out of my plan at any time within the 18 months with  
7 no cancellation fees and no product fees as long as I returned the phone. It  
8 was \$70 for about 4 months and then my bill shot up to \$170! Uhhhh no  
9 thank you! So I called and they removed the charges for the month and the  
10 next month it was back up to \$170.

11 So I cancelled and told them they are scamming customers. Then, I get a final  
12 bill (which threw me off because I paid off my bill before I cancelled) and it  
13 said I owed \$530! So I immediately call them. They said it's cancellation fees  
14 and charges for the phone. I told them what I was told in the store and they  
15 called me a liar! Said that I have to pay the \$530 or it'll be sent to collections.  
16 I do NOT recommend sprint unless you love being scammed out of money.  
17 They will lie to your face and lure you in. Stay clear of them!<sup>28</sup>

18 **Consumer No. 6:**

19 Complaint Date: 01/24/2021

20 My lease was up with Sprint and I have switch to \*\*\*\*\* trading my phone  
21 into them as of January 11th. You have sent me a bill with both an equipment  
22 charge of purchasing the old phone as well as a cancelation charge. First I  
23 leased the phone, did not purchase it and no longer have it so I certainty can't  
24 pay you for something I didn't buy. Second I did not cancel this lease early, I  
25 made all payments in the lease agreement. I already spoke to customer service

26 \_\_\_\_\_  
27 <sup>28</sup> [https://www.consumeraffairs.com/cell\\_phones/sprint\\_pcs.htm?page=2](https://www.consumeraffairs.com/cell_phones/sprint_pcs.htm?page=2) (last  
28 visited March 17, 2021).

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1 when I called to inquire about my last bill and if you listen to the recording  
2 from 1/17/2021 at 12:31PM your customer service representative agreed that  
3 this would be handled between \*\*\*\*\* and Sprint as I no longer have the  
4 phone. Any money you feel you are due will have to be obtained from  
5 \*\*\*\*\* as they now have the phone. Much like if I were to lease a car from  
6 \*\*\*\*\* and then when the lease was up lease a \*\*\*\*\*, \*\*\*\*\* would not  
7 come to me pay for the remainder of the car before leasing the \*\*\*\*\*. \*\*\*\*\*  
8 would pay \*\*\*\*\* to have the car on their lot or I would return the car to  
9 \*\*\*\*\*. These are much smaller numbers but the principle is exactly the  
10 same. \*\*\*\*\* has chosen to take the phone so they would have to pay you as  
11 its on their "lot".<sup>29</sup>

12  
13 **Consumer No. 7:**

14 “T-mobile won't even let us end our Sprint Flex Lease and move over to a T-  
15 mobile Plan.

16 I have 6 months left on my Galaxy S10 that I pay \$37.50 a month for. From  
17 what I've been told returning my phone will cost \$250 and returning my  
18 phone and ending service would be over \$500.

19 I had wanted to get a T-mobile plan and an iPhone but was told I'd have to  
20 pay over \$500 to do so.

21 So then I thought maybe I could just upgrade my S10 thru Sprint Flex but was  
22 told that resets my lease/contract back to 18 months. I don't want to be part of  
23 Sprint now that it is owned by T-mobile I wanted to get a phone from T-  
24 mobile and have one of their plans and be done with Sprint.

25  
26 \_\_\_\_\_  
27 <sup>29</sup> [https://www.bbb.org/us/wa/bellevue/profile/mobile-phone-service/sprint-now-  
28 part-of-t-mobile-1296-1000100605/complaints](https://www.bbb.org/us/wa/bellevue/profile/mobile-phone-service/sprint-now-part-of-t-mobile-1296-1000100605/complaints) (last visited March 17, 2021).

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1 Today I went to the T-mobile store because I figured maybe I could return my  
2 S10 and use the sim card in an unlocked phone I own and just keep the  
3 service for the remaining 6 months but they said I'd have to still pay \$250 to  
4 return the phone because service and lease are separate.

5 I used to be a fan of T-mobile and their MVNO's but I think I lost all respect  
6 for them now and will give Verizon a Try in 6 months when my Flex lease is  
7 over... screw T-mobile.

8 I'm thinking of looking into Xfinity Mobile Since it uses Verizon's network...  
9 I don't want to support T-mobile in anyway because of this.”<sup>30</sup>

10

11 53. As detailed herein, Sprint knew, or had reason to know, about the unfair,  
12 ambiguous and confusing nature of its Flex Lease program terms.<sup>31</sup>

13 **C. Plaintiffs’ and Class Members’ Reasonable Expectations**

14 54. In entering the Sprint Flex Lease agreements, Plaintiffs and the Class  
15 expected their Flex Lease plans to end upon their decision to do one of the following:  
16 upgrade their Devices, return their Devices, or accept ownership of their Devices once  
17 their payments reached the full value of the Devices.

18 55. Plaintiffs and the Class reasonably expected Sprint to clearly disclose the  
19 notification requirements, time constraints, and risks regarding the end-of-lease  
20 options at the time the contracts were formed with consumers -- specifically, that the

21

22 \_\_\_\_\_

23 <sup>30</sup>

24 [https://www.reddit.com/r/tmobile/comments/ftl0u4/sprint\\_flex\\_lease\\_at\\_tmobile\\_ aft  
25 er\\_merger/](https://www.reddit.com/r/tmobile/comments/ftl0u4/sprint_flex_lease_at_tmobile_after_merger/) Posted by skuly1775 (last visited March 23, 2021).

26 <sup>31</sup> Sprint, Annual Report for the fiscal year ended March 31, 2019 at p. 2 (available  
at:

27 [https://www.sec.gov/Archives/edgar/data/101830/000010183019000022/sprintcorp2  
28 01810-k.htm#s8925A97DDFA55204808914F6529AC721](https://www.sec.gov/Archives/edgar/data/101830/000010183019000022/sprintcorp201810-k.htm#s8925A97DDFA55204808914F6529AC721) [last visited March 10,  
2021]).



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1 Sprint Flex Lease program could have them paying substantially more than the value  
2 of the Device under a continued lease.

3 56. As a result of the Flex Lease program agreement terms alleged herein,  
4 Plaintiffs and the Class did not receive the benefit of their bargain, their expectations  
5 regarding the Sprint Flex Lease Program’s termination were not met, and they were  
6 subjected to overpayments for Device leases, excessive purchase prices for Devices,  
7 termination fees, and inconvenience.

8 **V. CLASS ACTION ALLEGATIONS**

9 57. Plaintiffs bring this action on their own behalf, and on behalf of the  
10 following Class pursuant to FED. R. CIV. P. 23(a), 23(b)(2), and/or 23(b)(3).  
11 Specifically, the Class is defined as:

12 **Nationwide Class:**

13 All persons or entities in the United States who purchased or leased one  
14 or more Devices under the Sprint Flex Lease Program.

15  
16 Or, in the alternative,

17  
18 **California Subclass:**

19 All persons or entities in California who purchased or leased one or more  
20 Devices under the Sprint Flex Lease Program.

21  
22 58. Together, the Nationwide Class and the California Subclass shall be  
23 collectively referred to herein as the “Class.” Excluded from the Class are Sprint, its  
24 affiliates, employees, officers and directors, persons or entities that purchased or  
25 leased Devices under the Sprint Flex Lease Program for purposes of resale, and the  
26 Judge(s) assigned to this case. Plaintiffs reserve the right to modify, change or expand  
27 the Class definition after conducting discovery.

28 59. Numerosity: The Class is so numerous that joinder of all members is

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1 impracticable. While the exact number and identities of individual members of the  
2 Class are unknown at this time, such information being in the possession of Sprint  
3 and obtainable by Plaintiffs only through the discovery process, Plaintiffs believe  
4 that the Class consists of hundreds of thousands, if not millions, of persons and  
5 entities that were deceived and harmed by Sprint’s conduct.

6 60. Existence and Predominance of Common Questions of Fact and Law:  
7 Common questions of fact and law exist as to all members of the Class. These  
8 questions predominate over the questions affecting individual Class Members. These  
9 common factual and legal questions include, but are not limited to:

- 10 a. whether Sprint clearly communicated the end-of-lease options of its
- 11 Flex Lease program when the agreements were formed with
- 12 Plaintiffs and Class members;
- 13 b. whether Sprint clearly communicated the time constraints and
- 14 notification requirements for the end-of-lease options of its Flex
- 15 Lease program with Plaintiffs and Class members when the
- 16 agreements were formed;
- 17 c. whether Sprint’s Flex Lease program’s end-of-lease option terms are
- 18 unfair and unenforceable;
- 19 d. whether Sprint’s conduct with regard to its Flex Lease program
- 20 violated the California Unfair Competition Law;
- 21 e. whether Sprint’s conduct with regard to its Flex Lease program
- 22 violated the California Consumers Legal Remedies Act;
- 23 f. whether Sprint’s conduct resulted in common law fraud;
- 24 g. whether Sprint’s conduct resulted in unlawful conversion;
- 25 h. whether Sprint’s conduct resulted in its unjust enrichment at the
- 26 expense of Plaintiffs and the Class;
- 27 i. whether Plaintiffs and the Class are entitled to monetary damages
- 28 and/or other remedies and, if so, the nature of any such relief; and

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1           j. whether the Court should apply the law of California to the entire  
2           Class because some of Sprint’s conduct emanated from conduct  
3           within California.

4           61. Typicality: All of Plaintiffs’ claims are typical of the claims of the Class  
5 since each Sprint Flex Lease was advertised with the same type of false and/or  
6 misleading statements, regardless of Devices having been purchased or leased.  
7 Plaintiffs and all members of the Class sustained monetary and economic injuries  
8 including, but not limited to, overpayments for Device leases, purchase prices for  
9 replacement Devices, termination fees, etc. arising out of Sprint’s wrongful conduct.  
10 Plaintiffs are advancing the same claims and legal theories on behalf of themselves  
11 and all absent Class Members.

12           62. Adequacy: Plaintiffs are adequate Class representatives because their  
13 interests do not materially or irreconcilably conflict with the interests of the Class  
14 that she seeks to represent, she has retained counsel competent and highly  
15 experienced in complex class action litigation, and they intend to prosecute this  
16 action vigorously. The interests of the Class will be fairly and adequately protected  
17 by Plaintiffs and their counsel.

18           63. Superiority: A class action is superior to all other available means of  
19 fair and efficient adjudication of the claims of Plaintiffs and members of the Class.  
20 The injury suffered by each individual Class Member is relatively small in  
21 comparison to the burden and expense of individual prosecution of the complex and  
22 extensive litigation necessitated by Sprint’s conduct. It would be virtually impossible  
23 for members of the Class individually to effectively redress the wrongs done to them.  
24 Even if the members of the Class could afford such individual litigation, the court  
25 system could not. Individualized litigation presents a potential for inconsistent or  
26 contradictory judgments. Individualized litigation increases the delay and expense to  
27 all parties and to the court system presented by the complex legal and factual issues  
28 of the case. By contrast, the class action device presents far fewer management

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1 difficulties, and provides the benefits of single adjudication, economy of scale, and  
2 comprehensive supervision by a single court. Members of the Class can be readily  
3 identified and notified based on, *inter alia*, Sprint’s records and databases.

4 64. Sprint has acted, and refused to act, on grounds generally applicable to  
5 the Class, thereby making appropriate final injunctive and equitable relief with  
6 respect to the Class as a whole.

7 **VI. VIOLATIONS ALLEGED**

8  
9 **COUNT I**

10 **VIOLATIONS OF CALIFORNIA’S UNFAIR COMPETITION LAW**

11 **(“UCL”)**

12 **(Cal. Bus. & Prof. Code §§ 17200 *et seq.*)**

13 **(On Behalf of the California Class)**

14  
15 65. Plaintiffs and the Class re-allege and incorporate by reference the  
16 allegations contained in all preceding paragraphs of this Class Action Complaint as  
17 though set forth fully herein.

18 66. California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200,  
19 *et seq.*, prohibits acts of “unfair competition,” including any “unlawful, unfair or  
20 fraudulent business act or practice” and “unfair, deceptive, untrue or misleading  
21 advertising.”

22 67. Sprint has engaged in unfair competition and unfair, unlawful or  
23 fraudulent business practices by the conduct and statements described above, and by  
24 knowingly and intentionally contracting with Plaintiffs and the Class under the  
25 unfair, confusing, and ambiguous terms of the Sprint Flex Lease program, including  
26 referring to the payoff amounts for its Devices following the lease termination as  
27 “remaining balance.” Plaintiffs and the Class could not reasonably be expected to  
28 understand or discover the true nature of the Flex Lease terms at the point of

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1 contracting.

2 68. Sprint’s acts and practices have confused and misled Plaintiffs and are  
3 likely to confuse and mislead the public. In failing to clearly communicate the end-  
4 of-lease terms of the Flex Lease program to Plaintiffs and the Class and to provide  
5 terms that do not result in unfair overpayments towards a Device under the Flex  
6 Lease program, Sprint breached its duties to clearly disclose these facts and use fair  
7 business practices, violated the UCL, and caused injuries to Plaintiffs and the Class.  
8 The unfair and ambiguous terms created by Sprint pertained to information that was  
9 material to Plaintiffs and the Class, as it would have been to all reasonable  
10 consumers.

11 69. The injuries suffered by Plaintiffs and the Class are greatly outweighed  
12 by any potential countervailing benefit to consumers or to competition, nor are they  
13 injuries that Plaintiffs and the Class could have reasonably avoided.

14 70. Sprint’s acts and practices are unlawful because they violate California  
15 Civil Code §§ 1668, 1709, 1710, and 1750 *et seq.*, and California Commercial Code  
16 § 2313.

17 71. Plaintiffs seek to enjoin further unlawful, unfair and/or fraudulent acts  
18 or practices by Sprint, to obtain restitutionary disgorgement of all monies and  
19 revenues generated as a result of such practices, and all other relief allowed under  
20 California Business & Professions Code § 17200.

21

22 **COUNT II**  
23 **VIOLATIONS OF CALIFORNIA’S CONSUMER LEGAL REMEDIES ACT**  
24 **(“CLRA”)**  
25 **(Cal. Civ. Code §§ 1750 et seq.)**  
26 **(On Behalf of the California Class)**

27

28 72. Plaintiffs and the Class re-allege and incorporate by reference the

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1 allegations contained in all preceding paragraphs of this Class Action Complaint as  
2 though set forth fully herein.

3 73. Sprint is a “person” as that term is defined in California Civil Code §  
4 1761(c).

5 74. Plaintiffs and the Class are “consumers” as that term is defined in  
6 California Civil Code § 1761(d).

7 75. Sprint engaged in unfair and deceptive acts in violation of the CLRA by  
8 the practices described above, and by knowingly and intentionally selling and leasing  
9 Devices to Plaintiffs and the Class under the Flex Lease program terms that were  
10 unfair, confusing, and ambiguous. These acts and practices violate, at a minimum,  
11 the following sections of the CLRA:

12 (a)(13) making false or misleading statements of fact concerning  
13 reasons for, existence of, or amounts of, price reductions;

14 (a)(14) representing that a transaction confers or involves rights,  
15 remedies, or obligations that it does not have or involve, or  
16 that are prohibited by law, in violation of California Civil  
17 Code Section 1770(a)(14);

18 (a)(16) representing that the subject of a transaction has been  
19 supplied in accordance with a previous representation when  
20 it has not; and

21 (a)(19) inserting an unconscionable provision in the contract.

22 76. Sprint’s unfair or deceptive acts or practices occurred repeatedly in  
23 Sprint’s trade or business and were capable of deceiving a substantial portion of the  
24 purchasing public, including referring to the payoff amounts for its Devices  
25 following the lease termination as “remaining balance.”

26 77. Sprint knew that the Flex Lease program would create overpayments for  
27 Device leases, excessive purchase prices for Devices, and unfair termination fees as  
28 a result of reasonable and foreseeable use by consumers.

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1           78. Sprint was under a duty to Plaintiffs and the Class to clearly disclose the  
2 nature of such contractual provisions because:

3           (a) Sprint was in a superior position to know the true state of facts  
4 about the potential outcomes of the terms of the Flex Lease program;

5           (b) Plaintiffs and the Class could not reasonably have been expected  
6 to understand or discover that the terms of the Flex Lease program were not  
7 what they expected due to Sprint’s advertisements and representations;

8           (c) Sprint knew that Plaintiffs and the Class could not reasonably  
9 have been expected to understand or discover the unfairness of the terms; and

10           (d) Sprint entered contracts with Plaintiffs and the Class without  
11 making the terms clear to the Plaintiffs and the Class.

12           79. In failing to make the terms of its Flex Lease program clear at the time  
13 of sale, Sprint has knowingly and intentionally concealed material facts from  
14 Plaintiffs and Class members, and breached its duty not to do so.

15           80. The facts about Sprint’s Flex Lease program concealed or not disclosed  
16 by Sprint to Plaintiffs and the Class are material in that a reasonable consumer would  
17 have considered them to be important in deciding whether to purchase or lease the  
18 Devices under the Flex Lease program or to pay a lesser price. Had Plaintiffs and the  
19 Class been apprised of and understood the terms, they would not have purchased or  
20 leased Devices under the Flex Lease program or would have paid less for them.

21           81. Plaintiffs have provided Sprint with notice of its violations of the CLRA  
22 pursuant to California Civil Code § 1782(a) and currently seek injunctive relief. After  
23 the 30-day notice period expires, Plaintiffs will amend this complaint to seek  
24 monetary damages under the CLRA.

25           82. Plaintiffs and the Class’ injuries were proximately caused by Sprint’s  
26 unfair and deceptive business practices.

27           83. Therefore, Plaintiffs and the Class are entitled to equitable and monetary  
28 relief under the CLRA.

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**COUNT III**

**COMMON LAW FRAUD**

**(On Behalf of the Nationwide Class, or Alternatively, the California Class)**

84. Plaintiffs and the Class re-allege and incorporate by reference the allegations contained in all preceding paragraphs of this Class Action Complaint as though set forth fully herein.

85. Sprint made material misstatements of fact to Plaintiffs and Class Members regarding the end of lease options and Device ownership terms of the Flex Lease program, including referring to the payoff amounts for its Devices following the lease termination as “remaining balance.” As a result, Plaintiffs and the Class were fraudulently induced to lease the Class Devices.

86. These misstatements made by Sprint were made with knowledge of their falsity, and with the intent that Plaintiffs and members of the Class would rely upon them.

87. As described herein, Sprint fraudulently leased and sold Class Devices under the unfair, unclear, and ambiguous terms of the Flex Lease program that effectively prevented purchasers from leasing and purchasing the Devices through alternative and competitor lease programs.

88. At the time that Sprint made these misrepresentations and concealments, and at the time that Plaintiffs and Class Members leased the Class Devices, Plaintiffs and the Class were unaware of the falsity of these misrepresentations, and reasonably believed them to be true.

89. In making these representations, Sprint knew they were misleading and intended that the Plaintiffs and Class Members would rely upon such misrepresentations.



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1 90. Plaintiffs and Class Members did in fact rely upon Sprint’s  
2 misrepresentations concerning leasing and ownership of the Devices through the Flex  
3 Lease program.

4 91. As a direct and proximate result of Sprint’s deceptive, fraudulent, and  
5 unfair practices, Plaintiffs and Class Members have suffered injury in fact and/or  
6 actual damages in an amount to be determined at trial.

7 92. Plaintiffs, on behalf of themselves and all others similarly situated,  
8 demand judgment against Sprint for damages and declaratory relief.

9

10

**COUNT IV**

11

**CONVERSION**

12

**(On Behalf of the Nationwide Class, or Alternatively the California Class)**

13

14 93. Plaintiffs and the Class re-allege and incorporate by reference the  
15 allegations contained in all preceding paragraphs of this Class Action Complaint as  
16 though set forth fully herein.

17

18 94. Plaintiffs bring this claim individually and on behalf of the members of  
the Class against Sprint.

19

20 95. Plaintiffs and Class members have an ownership right to the monies paid  
for the Devices leased and sold under the Sprint Flex Lease program by Sprint.

21

22 96. Sprint has wrongly and intentionally asserted dominion over Plaintiffs  
and Class members’ payments illegally diverted to it under its Flex Lease program  
23 agreements, and consequential damages resulting therefrom. Sprint has done so every  
24 time Plaintiffs and Class members paid to lease or purchase a Device under its Flex  
25 Lease program expecting to own the Device after the lease came to end.

26

27 97. As a direct and proximate cause of Sprint’s conversion, Plaintiffs and  
Class members suffered damages in the amount of the payments made under the

28

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1 Sprint Flex Lease program that exceeded the cost of the Devices being leased or sold,  
2 and in the amount of consequential damages resulting therefrom.

3  
4 **COUNT V**

5 **UNJUST ENRICHMENT**

6 **(On Behalf of the Nationwide Class, or Alternatively, the California Class)**

7  
8 98. Plaintiffs and the Class re-allege and incorporate by reference the  
9 allegations contained in all preceding paragraphs of this Class Action Complaint as  
10 though set forth fully herein.

11 99. Plaintiffs bring this cause of action on behalf of themselves and on behalf  
12 of the Class against Sprint.

13 100. Plaintiffs and the Class conferred a benefit on Sprint by leasing and  
14 purchasing Devices under the Flex Lease program.

15 101. Sprint had knowledge that this benefit was conferred upon it.

16 102. The benefit conferred on Sprint by Plaintiffs and the Class was at their  
17 expense.

18 103. Because Sprint has been unjustly enriched at the expense of Plaintiffs  
19 and the Class, its retention of this benefit under the circumstances would be  
20 inequitable.

21 **VII. PRAYER FOR RELIEF**

22 WHEREFORE, Plaintiffs, on behalf of themselves and the Class, respectfully  
23 requests that this Court:

- 24 A. Determine that the claims alleged herein may be maintained as a class  
25 action under Rule 23 of the Federal Rules of Civil Procedure, and issue  
26 an order certifying one or more Classes, as defined above;  
27 B. Appoint Plaintiffs as the representative of the Class and their counsel as  
28 Class Counsel;

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- 1 C. Award all actual, general, special (including treble), incidental,
- 2 statutory, and consequential damages to which Plaintiffs and the Class
- 3 are entitled;
- 4 D. Award pre-judgment and post-judgment interest on such monetary
- 5 relief;
- 6 E. Grant appropriate injunctive and/or declaratory relief;
- 7 F. Award reasonable attorneys’ fees and costs; and
- 8 G. Grant such further relief that this Court deems appropriate.
- 9

10 Dated: May 6, 2021

NYE, STIRLING, HALE & MILLER, LLP

11 Bv: /s/ Alison Bernal

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**VIII. DEMAND FOR JURY TRIAL**

Plaintiffs TERESA GUTIERREZ and MICHAEL CAMOU, on behalf of themselves and the putative class, hereby demand a trial by jury of all claims so triable in the above-referenced matter.

Dated: May 6, 2021

NYE, STIRLING, HALE & MILLER, LLP

Bv: /s/ Alison Bernal  
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