EXHIBIT 5

UNITED STATES DISTRICT COURT
DISTRICT OF KANSAS
AT KANSAS CITY

CORA E. BENNETT, Individually and On Behalf of All Others Similarly Situated, Plaintiff, vs. SPRINT NEXTEL CORPORATION, et al., Defendants.	)	Civil Action No. 2:09-cv-02122-EFM-KMH

DECLARATION OF TOR GRONBORG IN SUPPORT OF FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND THE PLAN OF ALLOCATION OF SETTLEMENT PROCEEDS AND AWARD OF ATTORNEYS' FEES AND EXPENSES AND LEAD PLAINTIFFS' EXPENSES PURSUANT TO 15 U.S.C. §78u-4(a)(4)

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1. I, Tor Gronborg, am an attorney duly licensed to practice before all of the courts of the State of California, and I have been admitted in this case *pro hac vice*. I am a member of Robbins Geller Rudman & Dowd LLP ("Robbins Geller" or, collectively with other counsel to Lead Plaintiffs, "Lead Counsel"), and counsel for Lead Plaintiffs PACE Industry Union-Management Pension Fund ("PACE"), Skandia Life Insurance Company ("Skandia") and the West Virginia Investment Management Board ("WVIMB") (collectively, "Lead Plaintiffs" or "Class Representatives") and the Class. I have been actively involved in the prosecution and resolution of this action, am familiar with its proceedings and have personal knowledge of the matters set forth herein based upon my active supervision and participation in all material aspects of the Litigation.

2. I submit this declaration in support of Lead Plaintiffs' motion, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for approval of: (a) the Stipulation of Settlement dated as of March 26, 2015 (the "Stipulation"), which provides for a cash settlement of $131,000,000 (the "Settlement Amount"); (b) the proposed Plan of Allocation; (c) Lead Counsel's application for an award of attorneys' fees and expenses; and (d) Lead Plaintiffs' application for an award for time and expenses incurred in prosecuting the Litigation.

I. PRELIMINARY STATEMENT

3. This case has been zealously litigated from its commencement in March 2009 through settlement, which only occurred after three face-to-face mediation sessions, numerous in-person and telephonic settlement discussions, and, finally, all parties' acceptance of the mediator's proposal to settle this matter for $131,000,000. At every stage of the Litigation, Defendants aggressively litigated the matter and asserted that they had comprehensive defenses. The settlement was achieved only after Lead Counsel, *inter alia*: (a) conducted or oversaw detailed investigative interviews of many witnesses, including former employees of Sprint Corporation, Nextel Communications, and the merged Sprint-Nextel Corporation; (b) successfully opposed Defendants' comprehensive motion

to dismiss; (c) obtained class certification over Defendants' aggressive opposition; (d) conducted extensive discovery, including the review and analysis of over 4.3 million pages of documents produced by Defendants and numerous third parties; (e) took or defended the depositions of more than 40 fact witnesses; (f) responded to discovery propounded by Defendants, consisting of two sets of document requests and five sets of interrogatories; (g) participated in over 15 telephonic hearings with Special Master Daniel J. Capra regarding electronic discovery disputes; and (h) partially completed expert discovery involving five testifying experts in the areas of the telecommunications industry, securities and capital markets, accounting and goodwill, loss causation, common stock damages and bond damages.

4. This settlement is the product of hard-fought litigation and takes into consideration the significant risks specific to the case. The settlement is the result of protracted negotiations between the parties facilitated by Judge Layn Phillips (Ret.), a nationally recognized mediator. These negotiations were conducted by experienced counsel with a firm and full understanding of both the strengths and weaknesses of their respective cases.

5. Lead Plaintiffs believe that this settlement represents a very good result. The substantial discovery, motion practice and trial preparation outlined herein informed Lead Plaintiffs that, while their case had strengths, it also had weaknesses, which were conscientiously evaluated in determining what course of action was in the best interest of the Class.

6. As set forth below, despite the fact that many of the allegations in the case were supported by documentary evidence as well as deposition testimony, there remained numerous uncertainties in Lead Plaintiffs' case.

7. The gravamen of Lead Plaintiffs' Consolidated Complaint for Violations of Federal Securities Laws (the "Complaint") is that, in violation of §§10(b) and 20(a) of the Securities

Exchange Act of 1934 ("Exchange Act"), Sprint and certain of its executives issued false and misleading statements concerning the Company's subscriber base and Sprint's integration of Nextel Communications ("Nextel"). In particular, Lead Plaintiffs allege that Defendants falsely represented that Sprint was on track to achieve billions of dollars of synergies from the merger with Nextel, that Sprint was improving its customer mix as a result of tightening credit standards, that the integration of the Sprint and Nextel cellular platforms, including rebanding, was progressing as planned, and that the goodwill associated with the Nextel purchase was not impaired. *See* ECF No. 33.

8. Lead Plaintiffs alleged that Defendants' false and misleading statements caused the price of the Company's securities to be artificially inflated throughout the October 26, 2006 to February 27, 2008 Class Period. When the truth was alleged to have emerged, on January 18, 2008 and February 28-29, 2008, the price of Sprint's common stock and bonds dropped, significantly harming the holders of the Company's securities.

9. In opting to settle the Litigation, Lead Plaintiffs and their counsel considered the significant risks associated with proving the claims alleged in the Complaint. For example, the accounting and disclosure rules applicable to the alleged impairment of Sprint's goodwill were subject to varying interpretations. Defendants contended that their disclosures and accounting for the Company's goodwill were not materially misleading, did not violate Generally Accepted Accounting Principles ("GAAP"), and were not made with scienter. They further claimed "good faith" reliance on the accounting and disclosure processes at Sprint, as well as reliance on third party auditors Ernst & Young ("EY") and KPMG. Although Lead Plaintiffs disputed Defendants' assertions, based on the document discovery and depositions taken, including those of EY and KPMG witnesses, Defendants offered both evidence and legal arguments to bolster their defenses for summary judgment and trial.

10. The parties also disputed the related issues of loss causation and damages. Defendants asserted an aggressive "truth-on-the-market" defense and argued that a variety of factors unrelated to the alleged fraud caused the price of Sprint securities to decline at the end of the Class Period. While Lead Plaintiffs disputed these contentions, there was a substantial risk of recovering limited or no damages if the jury agreed in whole or in part with Defendants' arguments. This risk was heightened by the fact that the relevant declines in Sprint's securities prices coincided with the onset of the 2008 credit crisis and recession. Defendants repeatedly argued that they and their experts would be able to establish that most, if not all, of the declines alleged by Lead Plaintiffs were the result of macro-economic factors unrelated to the claimed fraud.

11. The parties also disagreed on the admissibility and importance of much of the witness testimony and evidence. There was no way to predict which interpretations and inferences a jury would accept. In deciding to settle the Litigation, Lead Plaintiffs weighed the witness testimony and documents they believed supported the allegations against the testimony of other witnesses and documents that could be used to undercut those allegations. All of these issues, and the risks attendant to them, were considered by Lead Plaintiffs and their counsel in deciding to settle this Litigation on the agreed terms.

12. On balance, considering all the circumstances and risks both sides faced were the parties to continue to trial, both Lead Plaintiffs (for themselves and the Class) and Defendants concluded that settlement on the terms agreed upon was in their respective best interests.

13. Lead Counsel have prosecuted the Litigation on a wholly contingent basis and have advanced or incurred substantial litigation expenses. By so doing, Lead Counsel shouldered the substantial risk of an unfavorable result. Lead Counsel have not yet received any compensation for their effort. The fee application for 22% of the Settlement Amount is fair and within the range of fee

percentages frequently awarded in this type of action. Under the particular facts of this case, this percentage is justified in light of the substantial benefits conferred on the Class, the risks undertaken, the quality of representation, and the nature and extent of legal services performed. Both the settlement and the fee request have been collectively and independently approved by each of the Class Representatives, PACE, Skandia, and WVIMB, who actively participated in revising the terms of the settlement and the fee request. This is the kind of result envisioned by Congress in enacting the Private Securities Litigation Reform Act of 1995 ("PSLRA") and is entitled to significant weight by the Court in awarding fees to counsel.

14. Lead Counsel also seek an award for expenses totaling $3,434,112.10 that were reasonably and necessarily committed to the prosecution of the Litigation over the past six years. These expenses include: (a) the fees and expenses of consultants and experts whose services Lead Counsel required in the successful prosecution and resolution of this case; (b) the costs associated with conducting fact and expert witness depositions, which included court reporter and videographer fees as well as travel expenses; (c) photocopying, imaging, shipping, and managing a database of more than 4.3 million pages of documents; and (d) online factual and legal research. These expenses were reasonable and necessary to obtain the successful result.

15. In addition, as allowed under the PSLRA, Lead Plaintiffs seek an award of $42,920.44, collectively, for their time and expenses incurred in representing the Class. Their investment of time, effort, and expense greatly contributed to the successful resolution of the Litigation.

16. The following is a summary of the principal events which occurred during the course of the Litigation and the legal services provided by Lead Counsel. Lead Plaintiffs' allegations are

contained in both the Complaint and this Court's March 27, 2014 Order granting class certification. ECF Nos. 33, 221.

II. THE LITIGATION

A. The Commencement of the Action

17. On March 10, 2009, Robbins Geller, on behalf of Cora E. Bennett, filed a class action complaint against Sprint Nextel Corporation and several of its executives: Gary D. Forsee, Paul N. Saleh, and William G. Arendt (collectively, the "Individual Defendants").

18. On May 11, 2009, PACE and Skandia and WVIMB each moved the Court for appointment as lead plaintiff, and for their respective counsel, Motley Rice LLC and Robbins Geller[1] to be appointed as lead counsel in the action. ECF Nos. 10-15. Shortly thereafter, on May 26, 2009, PACE, Skandia, and WVIMB submitted a stipulation requesting that the Court jointly appoint them to serve as Lead Plaintiffs and their selected counsel, Motley Rice and Robbins Geller, as Lead Counsel. ECF No. 22. No other entity moved to be appointed lead plaintiff and no other counsel sought to serve as lead counsel for the proposed class of Sprint investors. Accordingly, on June 5, 2009, the Court appointed PACE, Skandia, and WVIMB to serve as Lead Plaintiffs, and approved their choice of Motley Rice and Robbins Geller as Lead Counsel and Stueve Siegel Hanson LLP as Liaison Counsel. ECF No. 23.

B. Lead Counsel's Investigation and Consolidated Complaint

19. Prior to and following the Lead Plaintiffs appointment, Lead Counsel directed an extensive investigation of the alleged securities law violations. This investigation included a review of Sprint's public statements over a more than four year period, forensic accountant review of Sprint's SEC filings and financial statements, the retention of an investigative firm and interviews

[1] Until March 2012, Robbins Geller was known as Coughlin Stoia Geller Rudman & Robbins LLP.

with dozens of former Sprint employees and agents, and investigation into other litigation involving Sprint and Nextel.

20. Based on this investigation, Lead Counsel prepared a detailed Complaint on behalf of investors in both Sprint common stock and certain bonds. The nearly 100-page long Complaint was filed on August 11, 2009 and detailed the alleged violations of §§10(b) and 20(a) of the Exchange Act. ECF No. 33.

C. Defendants' Motion to Dismiss the Consolidated Complaint

21. On October 5, 2009, Defendants moved to dismiss the Complaint. ECF No. 37. In accordance with the PSLRA, formal discovery in the case was stayed until the Court ruled on the motion to dismiss. Defendants' complex motion to dismiss the Complaint ran to more than 40 pages of briefing, citing 77 cases and raising over fifteen legal issues and sub-issues. In sum, Defendants argued that: (1) Lead Plaintiffs' Complaint did not comply with the heightened pleading standards of the PSLRA or Rule 9(b); (2) many of the allegedly false statements challenged by Lead Plaintiffs were protected under the PSLRA's Safe Harbor and the "Bespeaks Caution" Doctrine, and/or were non-actionable "corporate optimism" or "mere puffery"; and (3) the Complaint did not give rise to a strong inference of either motive and opportunity or knowledge or recklessness sufficient to plead an intent to commit fraud (scienter). Defendants also argued that Lead Plaintiffs failed to state a control person claim under §20(a) of the Exchange Act. ECF Nos. 37-38.

22. On November 17, 2009, Lead Plaintiffs filed their opposition to Defendants' motion to dismiss. In their 43-page opposition, Lead Plaintiffs argued that each of Defendants' reasons to dismiss the Complaint was meritless. Lead Plaintiffs argued, *inter alia*, that: (1) the Complaint alleged Defendants' material, actionable omissions and false and misleading statements; (2) Lead Plaintiffs alleged a strong, cogent, and compelling inference of scienter; and (3) Lead Plaintiffs had properly alleged a §20(a) control person claim. Lead Plaintiffs cited more than 90 cases and made

forceful and, ultimately, convincing arguments in opposition to Defendants' motion to dismiss. The motion to dismiss briefing addressed novel issues regarding both the actionability of misstatements and omissions and the facts necessary to support a strong inference of scienter. Lead Counsel spent significant time and resources performing the legal research necessary to address these issues and draft an effective opposition and satisfy the strict pleading burden imposed by the PSLRA. ECF No. 43.

23. On December 18, 2009, Defendants filed a reply brief in support of their motion to dismiss the Complaint. ECF No. 46. On January 6, 2011, the Court denied Defendants' motion to dismiss in full. ECF No. 59. Although formal discovery was stayed pending the Court's ruling on Defendants' motion to dismiss, Lead Counsel continued their factual investigation of the allegations in preparation for discovery or, if necessary, to amend the Complaint. Immediately following the January 6, 2011 Order, the parties began to meet and confer regarding pre-trial scheduling and fact discovery.

D. Defendants' Motion to Certify for Interlocutory Appeal the Court's Order Denying Defendants' Motion to Dismiss

24. On January 20, 2011, Defendants moved to certify for interlocutory appeal the Court's January 6, 2011 Order. ECF Nos. 65-66. In particular, Defendants argued that the Court improperly relied upon facts gathered in Lead Counsel's investigation and attributed to confidential witnesses in the Complaint. Lead Plaintiffs filed their opposition on February 2, 2011, ECF No. 72, and Defendants filed their reply on February 16, 2011, ECF No. 73. On February 23, 2011, the Court denied Defendants' motion to certify, noting that even absent the confidential witnesses' allegations, Lead Plaintiffs had properly plead a claim in accordance with Fed. R. Civ. P. 9(b) and the PSLRA. ECF No. 74.

E. Lead Plaintiffs' Motion to Strike

25. On January 31, 2011, Defendants filed their Answer to the Complaint. ECF No. 71. Over the following several months, the parties met and conferred about the propriety of Defendants' Answer and whether it complied with the standards set forth in *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007), and *Ashcroft v. Iqbal*, 556 U.S. 662 (2009). In particular, Lead Plaintiffs maintained that Defendants' Answer failed to identify the necessary facts to support the asserted affirmative defenses.

26. Unable to resolve the differences of opinion, on April 21, 2011, Lead Plaintiffs filed a motion to strike certain of Defendants' affirmative defenses. ECF Nos. 87-88. On May 5, 2011, Defendants filed their opposition to Lead Plaintiffs' motion to strike, ECF No. 89, and on May 19, 2011, Lead Plaintiffs filed their reply brief. ECF No. 94. While recognizing that there was a split of authority on the application of *Twombly* and *Iqbal* to answers and affirmative defenses, on September 29, 2011, this Court denied Lead Plaintiffs' motion to strike and suggested that the purportedly missing information could be obtained through interrogatories. ECF No. 110.

F. Lead Plaintiffs' Motion for Class Certification

27. Lead Plaintiffs moved for class certification on November 17, 2011. In addition, PACE, Skandia, and WVIMB requested that the Court appoint them as class representatives based on their combined purchases of 1,033,000 shares of Sprint common stock as well as over 6 million units of Sprint bonds during the Class Period. ECF Nos. 116-117. The motion for class certification addressed all of the requirements of Fed. R. Civ. P. 23, as well as *Basic Inc. v. Levinson*, 485 U.S. 224 (1988) ("efficient market") and *Affiliated Ute Citizens v. United States*, 406 U.S. 128 (1972) (omissions theories of reliance unique to securities class actions).

28. On May 1, 2012, following the deposition of a representative for each of the Lead Plaintiffs, Defendants submitted their opposition to class certification. ECF Nos. 160-161. Without

waiver of their right to challenge certification at a later time, Defendants did not dispute that Lead Plaintiffs had met the requirements of Fed. R. Civ. P. 23 with respect to certification of the class of common stock purchasers. However, relying on the detailed report of an expert economist, Mukesh Bajaj, Defendants argued that Lead Plaintiffs had failed to satisfy their duty to establish that any of the markets for the relevant bond issuances was efficient. ECF No. 161-1.

29. Following the deposition of Defendants' economist expert, Lead Plaintiffs filed their reply on July 16, 2012. ECF No. 171. Lead Plaintiffs submitted the expert report of Candace L. Preston (the "Preston Report") in connection with their reply. Ms. Preston rebutted the opinions of Defendants' expert and concluded that the markets for the relevant Sprint bond issuances were efficient during the Class Period. ECF No. 171-6.

30. On July 23, 2012, Defendants filed a motion to strike the Preston Report as well as portions of the reply based thereupon on the grounds that they were untimely. ECF Nos. 172-173. On August 6, 2012, Lead Plaintiffs filed their memorandum in opposition to Defendants' motion to strike. ECF No. 174. On August 20, 2012, Defendants filed their reply. ECF No. 175. On March 25, 2013, the Court granted in part and denied in part Defendants' motion to strike. ECF No. 185. Ultimately, Defendants deposed Ms. Preston and submitted a surreply in opposition to class certification on June 21, 2013. ECF No. 193.

31. On March 27, 2014, over two years and one thousand pages of submissions later, the Court granted Lead Plaintiffs' motion for class certification in full. PACE, Skandia, and WVIMB were appointed Class Representatives, Motley Rice and Robbins Geller were appointed Class Counsel and the Court certified a class of:

> All persons and entities who purchased or otherwise acquired the publicly-traded securities of Sprint Nextel Corporation from October 26, 2006, through February 27, 2008, inclusive, and who were damaged thereby. Included in the Class are purchasers of Sprint common stock ("Sprint Stock") and the following Sprint debt

> securities ("Sprint Bonds"): (i) 6.0% bonds, due December 1, 2016; (ii) 6.9% bonds, due May 1, 2019; (iii) 8.75% bonds, due March 15, 2032; (iv) 8.375% bonds, due March 15, 2012; (v) 7.625% bonds, due January 30, 2011; (vi) 6.375% bonds, due May 1, 2009; (vii) 6.875% bonds, due November 15, 2028; (viii) 6.875% bonds, due October 31, 2013; (ix) 5.95% bonds, due March 15, 2014; and (x) 7.375% bonds, due August 1, 2015. Excluded from the Class are Defendants herein, members of each Defendant's immediate family, any entity in which any Defendant has or had a controlling interest, officers and directors of Sprint, and Defendants' legal representatives, heirs, successors, or assigns of any such excluded party.

ECF No. 221.

32. On April 11, 2014, Defendants filed a petition for permission to appeal to the 10th Circuit Court of Appeals under Rule 23(f). ECF No. 228. Defendants argued that the application of market efficiency factors traditionally used for analyzing common stock markets was not appropriate for the analysis of bond markets. Lead Plaintiffs filed an opposition to this petition for interlocutory appeal, addressing the novel and complex issues raised by Defendants, on April 23, 2014. Defendants' petition was denied by the 10th Circuit on May 23, 2014. ECF No. 241.

33. In accordance with the March 27, 2014 Order certifying the class of Sprint common stock and bond investors, Lead Counsel researched claims administrators and ultimately retained the firm of Garden City Group, LLC ("GCG") to notify Class Members of the pendency of the litigation and certification of a class. Through discovery, Lead Plaintiffs obtained from Defendants and their agents the transfer records identifying the investors and owners of Sprint's common stock and bonds during the Class Period. With this information, GCG mailed notice of the class certification to more than 480,000 individuals and entities. In addition, the notice was published in *Investor's Business Daily* and *PR Newswire* and posted on a dedicated website. Following the mailing and publication of the notice, Lead Counsel, together with GCG, addressed the questions and concerns of potential class members. Ultimately, 24 individual investors opted out of the litigation and not a single institutional investor opted out.

G. Fact Discovery

34. Lead Counsel immediately began fact discovery following the January 6, 2011 Order denying Defendants' motion to dismiss. Throughout the class certification briefing, and until the parties' acceptance of the December 2014 mediator's proposal to settle the litigation, Lead Plaintiffs engaged in rigorous fact discovery.

35. Fact discovery in this Litigation was unusually complicated for three reasons. First, the scope of the relevant issues and the size of Sprint, in terms of both potential witnesses and the number of documents and records, was immense. Second, a significant amount of the document discovery consisted of electronically stored information ("ESI") and the parties were forced to address unique and complex legal and technical issues regarding the search and production of that discovery. Third, much of the relevant information was in the custody and control of third parties, most of whom were located outside of this District. These issues are discussed in greater detail below.

1. Protective Order

36. Before Defendants or any third parties would produce any documents, they insisted on a protective order to protect against the disclosure of sensitive personal or proprietary records. Accordingly, Lead Counsel drafted a comprehensive protective order and negotiated with Defendants' counsel over the terms of the proposed order. The parties were able to reach agreement on all of their respective areas of concern and, on March 30, 2011, filed a Joint Stipulation and proposed Protective Order. On April 4, 2011, Judge Humphreys issued the Protective Order. ECF No. 83.

2. Document Discovery to Defendants

37. On February 28, 2011, following the parties' Fed. R. Civ. P. 26 conference, Lead Plaintiffs propounded their First Set of Requests for Production of Documents to Defendant Sprint

Nextel and the Individual Defendants, consisting of 77 discrete requests to each. Lead Plaintiffs propounded their First Set of Interrogatories and First Set of Requests for Admission to All Defendants on August 9, 2011, consisting of 17 discrete requests. Lead Plaintiffs propounded their Second Set of Interrogatories to Defendant Sprint Nextel on October 4, 2011 (two additional requests), their Second Set of Interrogatories to Individual Defendants on October 28, 2011 (one additional request), and their Third Set of Interrogatories to Defendant Sprint Nextel on March 7, 2014 (two additional requests).

38. Lead Counsel engaged in more than 15 meet-and-confer discussions with Defendants' counsel to address just their objections to the First Set of Requests for Production of Documents. Concurrent with and as part of the meet-and-confer discussions, Lead Counsel consulted with their forensic accountants and information technology experts to identify and prioritize the production of relevant materials. The result of the meet-and-confer discussions, which continued over several months, was a November 2011, single-space, 16-page Joint Memorandum Memorializing the Parties' Meet and Confer Agreements. While the parties had significant areas of dispute, with the guidance of Judge Humphreys they were able to resolve all of these disputes without resorting to motion practice.

39. Lead Counsel also engaged in numerous and lengthy meet-and-confer discussions with Defendants' counsel regarding the propriety and scope of the various sets of interrogatories. While the parties were able to informally resolve the vast majority of their disputes regarding the law and relevant facts, Lead Plaintiffs were forced to move to compel responses to certain of the interrogatories. Following oral argument, on April 20, 2012, Judge Humphreys granted Lead Plaintiffs' motion in part and denied it in part. ECF No. 157.

40. The result of Lead Plaintiffs' discovery requests and Lead Counsel's meet-and-confer discussions was the production of approximately 2.5 million pages of documents from the Individual Defendants and Sprint custodians and an additional 1.7 million pages of documents produced by third parties. Careful examination and analysis of these millions of pages of documents required a massive effort by Lead Counsel to review, analyze, and organize the production. Lead Counsel created a proprietary system for, *inter alia*, identifying and tracking the documents most likely to be used in depositions and at trial (whether by Lead Plaintiffs or Defendants), identifying relevant witnesses for deposition or additional discovery requests, and establishing procedures to identify additional documents and information that had not been produced. Virtually all of the documents produced by Defendants, as well as many of those by third parties, were complex, highly technical documents regarding the Sprint-Nextel merger, manipulation of credit standards, cellular subscriber metrics, cellular network platforms and technology, handsets, the development of 4G technology, and goodwill impairment analyses. Lead Counsel thus spent significant time reviewing dense communications, spreadsheets, and abstract figures and diagrams in presentations geared towards engineers, salespeople, and executives who were familiar with the telecom terminology and technology involved. Throughout the document review process, Lead Counsel had to comprehend what information the documents conveyed, determine how they were relevant to the alleged fraud, and then apply that understanding to other documents that had been produced in order to paint a complete picture of the case. Lead Plaintiffs' organization, review and analysis of the document productions in this case was conducted over the course of nearly four years.

3. Electronic Discovery

a. ESI Becomes a Significant Factor in Discovery

41. Concurrent with the discussions regarding Lead Plaintiffs' document requests, the parties submitted their Fed. R. Civ. P. 26(f) planning conference report and exchanged Fed. R. Civ.

P. 26(a)(1) initial disclosures. In the planning conference report, Defendants identified a number of issues that would require the production of significant ESI from various locations and numerous custodians. Although the District of Kansas Guidelines for Cases Involving Electronically Stored Information requires the Rule 26(a)(1) disclosures to identify the location of discoverable ESI, as well as those individuals with knowledge of the relevant ESI systems, the parties recognized that given the size of Sprint and scope of the case, addressing these subjects would be a lengthy and iterative process.

42. On February 18, 2011, Lead Counsel, based on consultation with subject matter experts, provided Defendants with a detailed list of questions about Sprint's information technology ("IT") systems, focused on the general electronic systems maintained by Sprint and the location of potentially responsive ESI. Lead Counsel diligently pursued this information for several months and engaged in numerous conferences with Defendants regarding the specific information sought. On June 13, 2011, Defendants provided detailed information regarding Sprint's IT system.

43. Over the next several months, in order to assess the potential volume of ESI and negotiate an agreement on the appropriate sources of ESI to be searched, the parties engaged in more in-depth discussions. The focus of these discussions included: custodial and non-custodial sources of ESI; auto-delete settings for ESI sources; file servers and document management systems; transfer of legacy file server material; indexing of backup tapes; imaging of computers; retention of instant messages; litigation hold software; use of accounting/finance software; volume of data associated with potential custodians; and volume of data by custodian, date, and file type. Ultimately, following numerous conferences with Defendants and in consultation with experts, the parties were able to reach agreement on a stipulated ESI protocol.

44. In order to keep discovery moving while they continued to engage in meet-and-confer discussions, the parties agreed to proceed with an initial production from a limited number of custodians – the Individual Defendants and the six Sprint employees identified in Defendants' initial disclosures. Later, on August 31, 2011, Defendants provided Lead Counsel with a list of 38 proposed custodians. On September 7, 2011, after analyzing Sprint's organizational charts and other materials, Lead Counsel proposed a much more comprehensive list of approximately 100 potential custodians. The parties continued to engage in discussions regarding the personnel involved in various aspects of Sprint's business related to the alleged fraud in order to come to an agreement on the appropriate custodians, including the possibility of generating reports using the metadata from the email of certain key custodians in order to facilitate the identification of individuals whose documents were likely to contain relevant information.

45. Lead Counsel initiated and participated in additional written and telephonic exchanges with Defendants regarding the use of de-duplication, file type filtering, date filtering, review by thread-view as potential methods to efficiently search, review, and produce the documents from the agreed upon custodians. In response to Defendants' concerns regarding burden of review for privilege, Lead Plaintiffs provided suggestions as to how to further reduce Defendants' burden, including the use of search terms to filter for privilege, in conjunction with an agreement for full claw-back rights. At each step, Lead Counsel utilized the services of in-house and external IT and computer forensic experts and spent considerable time and resources researching the capabilities of the vendor Defendants had retained to manage the production of ESI.

b. Plaintiffs Advocate for the Use of Predictive Coding

46. Throughout the meet-and-confer process, the parties were always focused on appropriate means of identifying and reducing the potential burden of searching tens of millions of pages of ESI. On October 20, 2011, Defendants proposed that a limited number of search terms be

used to identify relevant ESI. While taking the search terms under advisement and advocating that Defendants test the proposed search terms, Lead Counsel determined that the proposed search terms, or any limited set of search terms, would not be sufficient to identify relevant ESI for this particular case. Instead, Lead Counsel suggested further exploration of analytic tools that Sprint's chosen ESI vendor had available in order to reduce Defendants' burden of review while not compromising Lead Plaintiffs' access to relevant information. To address the feasibility of alternate approaches, Lead Counsel continued to consult with subject matter experts, including the firm of Crivella West, as well as to participate in calls with Defendants' counsel and their experts, including representatives of their ESI vendor.

47. On November 28, 2011, Defendants were able to provide requested information regarding the volume and file types for the data associated with the nine initial custodians and provided a more comprehensive set of search terms that matched the proposed terms with Lead Plaintiffs' document requests so the parties could assess the viability of the proposed terms and come to an agreement on the appropriate search methodology.

48. After analyzing Defendants' proposed search terms, Lead Plaintiffs continued to question the efficacy of search terms in this case and advocated the use of more advanced technology to reduce any purported burden and locate responsive documents. Lead Counsel also identified information that still had not been provided, including a term dictionary (a listing of documents that appear commonly in the ESI) and link charts (identifying who individuals communicate most frequently with), and that would be relevant to any effort to arrive at a mutually agreeable search protocol.

c. Special Master to Oversee ESI-Related Discovery Disputes

49. Despite much time and effort, the parties were unable to agree on the best means of completing the production of ESI. Accordingly, on December 2, 2011, Lead Counsel filed a comprehensive letter brief with Judge Humphreys addressing the ESI issues and seeking an order compelling Defendants to produce additional information about the sources of ESI and purported burden of searching. Defendants filed their response on December 9, 2011. In total, the parties submitted over 300 pages of briefing and exhibits on the ESI issue.

50. On December 14, 2011, Judge Humphreys held a telephonic hearing to address the letter briefing and ESI. Based on the arguments made and the complexity of the issues involved, Judge Humphreys suggested that the appointment of a Special Master with expertise in electronic discovery would be the best means of addressing the parties' disputes. Accordingly, on December 15, 2011, the Court filed its notice of intent to appoint a Special Master to oversee electronic discovery issues and to assist the parties in coming to an agreement on search methodologies. ECF No. 134. The parties engaged in several discussions regarding the proposed appointment of a Special Master pursuant to Fed. R. Civ. P. 53. The parties agreed that it would be appropriate to appoint a Special Master to aid the Court in resolving disputes specifically related to the discovery of ESI but not for all discovery disputes. Following several telephonic conferences, Lead Counsel drafted a mutually proposed order regarding the scope of the Special Master's duties.

51. During the final weeks of 2011, Lead Counsel conducted research to identify an appropriately qualified Special Master to assist in resolving complex disputes specific to ESI. Lead Counsel proposed three individuals they determined to be the most qualified to resolve disputes regarding ESI discovery matters and Defendants proposed three different individuals. The parties exchanged information regarding each of the six individuals' qualifications, including prior Special

Master appointments, curriculum vitae, pertinent authorship, hourly rate and billing practices, and potential conflicts.

52. As of January 5, 2012, the parties were unable to come to an agreement on the appropriate person to fill the role and sought the assistance of the Court. The parties each submitted the name of one proposed Special Master and briefed the appropriateness of the proposed candidates. On February 24, 2012, following a telephonic hearing, the Court appointed Professor Daniel J. Capra as Special Master to resolve the parties' ESI discovery disputes. ECF No. 146. Special Master Capra is the co-author, along with Judge Scheindlin and the Sedona Conference, of the first casebook published on Electronic Discovery. He had been previously appointed and served as a Discovery Special Master in several cases where ESI issues were involved.

d. Parties Negotiate the Use of Predictive Coding

53. On March 8, 2012, the parties had their first telephonic hearing with Special Master Capra to discuss the ESI disputes and explore the possibility of using the predictive coding (also known as technology assisted review or TAR) software of Sprint's chosen ESI vendor. Based on the recommendation of Special Master Capra, the parties agreed to focus their efforts on implementing predictive coding to address the search and production of ESI.

54. Lead Counsel requested that the parties have a joint call with Defendants' ESI vendor to discuss its predictive coding tool. During the March 21, 2011 call, Lead Counsel requested information regarding the vendor's experience using predictive coding in similar cases and requested sample reports that could be generated in order to track and validate the efficacy of the tool. Thereafter, the parties engaged in additional conference calls, both with and without subject matter experts, to discuss both the use of predictive coding and the appropriate sources from which to collect ESI for the purposes of predictive coding. The parties also discussed various means of

potentially narrowing the volume of data to which predictive coding should be applied (*e.g.*, custodians, date ranges, sources, file types, search terms).

55. On April 2, 2012, Lead Counsel presented Defendants with a detailed draft predictive coding protocol modeled after the recent protocol entered by Magistrate Judge Peck in *Da Silva Moore v. Publicis Groupe*, 287 F.R.D. 182 (S.D.N.Y. 2012). On April 12, 2012, Defendants rejected Lead Counsel's version of the predictive coding protocol, stating several objections and offering counter-proposals. Lead Counsel then submitted letter briefing to Special Master Capra on the specifics of the current dispute over the predictive coding protocol.

56. On April 16, 2012, the Special Master heard the parties' arguments, including disputes over the propriety of culling ESI prior to the use of predictive coding and the level of transparency for the identification of irrelevant documents. Following the April 16, 2012 conference, Special Master Capra also raised the issue of privilege under Fed. R. Civ. P. 502 to address the potential production of privileged material. On April 23, 2012, Lead Counsel informed Special Master Capra that the parties had agreed to language regarding Defendants' privilege review. Lead Counsel also provided Special Master Capra with extensive information Lead Plaintiffs had gathered regarding Kroll's predictive coding process.

57. In addition to in-house ESI experts, including Lea Bays, an attorney whose practice is focused on electronic discovery issues, Lead Counsel enlisted the assistance of an expert, Karl Schieneman, in the field of TAR to assist in negotiating the predictive coding process. Mr. Schieneman is the founder of ReviewLess, an electronic discovery firm, and has created cutting edge national electronic discovery education initiatives. Mr. Schieneman was also the expert who architected the use of predictive coding in *Global Aerospace Inc. v. Landow Aviation, L.P.*, No. CL

61040, 2012 Va. Cir. LEXIS 50 (Apr. 23, 2012), the first case where predictive coding was accepted by the court despite initial objections to its use.

58. Over the next few months, the parties engaged in extensive and productive negotiations on the predictive coding protocol. There were only a few public examples of predictive coding protocols and none in a case the size and scope of this one. Accordingly, at each step the parties were addressing new and novel issues that often required testing to determine whether and what options were available. The parties also continued to have telephonic hearings with Special Master Capra to assist in resolving the disputes that arose in the process. While the parties were working out the details of the protocol, the parties also engaged in numerous discussions regarding the appropriate measures to reduce the volume of data subject to predictive coding.

59. On June 15, 2012, the parties provided Special Master Capra with a nearly final draft protocol and letter briefs regarding the remaining disputes.

60. On June 25, 2012, following additional conferences between counsel for the parties and telephonic hearings with Special Master Capra, the parties agreed to a predictive coding protocol but continued to negotiate the appropriate method to reduce the volume of data that would be subject to predictive coding in order to address Defendants' assertions of burden and expedite the discovery process.

61. In July 2012, the parties began the predictive coding process by selecting "seed set" documents that are used as the first training for the predictive coding software to recognize what documents are responsive. The parties had a joint call with Defendants' vendor to discuss the technical aspects of choosing an appropriate seed set. According to the terms of the protocol, both parties selected approximately 4,000 seed documents from the initial document production in the case and publicly available documents, disclosed the selected documents to each other, analyzed the

documents, and, as appropriate, identified objections on a document-by-document basis. After addressing the objections and de-duplication, 8,580 documents were included in the seed set.

62. The process of analyzing the initial seed set uncovered technical problems with some of the documents that needed to be resolved for predictive coding to be properly applied to the entire universe of documents. As a result, the parties engaged in several additional telephonic conferences, with the assistance of both parties' technical experts, in order to resolve specific text recognition issues.

63. In October 2012, following numerous additional conferences and telephonic hearings with Special Master Capra, the parties came to an agreement on how to effectively reduce the volume of documents subject to predictive coding without risking excessive restrictions on Lead Plaintiffs' access to relevant documents.

64. In November 2012, Lead Counsel analyzed reports regarding the volume and file types of documents that would be subject to predictive coding and a separate report regarding documents that had been culled out (the "culled set"). As outlined in the predictive coding protocol, a sample of documents from the culled set were reviewed in order to determine whether the agreed upon culling criteria had inadvertently excluded relevant documents from predictive coding. After analyzing the sample, adjustments were made to the culling criteria and by December 18, 2012 the parties agreed that no further sampling of the culled set was necessary.

65. Ultimately, for the first phase of the electronic discovery, over 1.3 million documents from 38 custodians were included in the database subject to predictive coding using Defendants' vendor. At the end of December 2012, however, Lead Counsel were informed of technical issues regarding the predictive coding software. By the middle of January 2013, with the assistance of the parties' experts, the parties were able to move forward with the predictive coding process. Shortly

thereafter, Lead Counsel received confirmation that the text recognition issues that had been uncovered while analyzing the seed set, about which the parties had been in frequent communication, had finally been resolved.

66. Due to the complexity and novelty of predictive coding, the parties were in frequent communication regarding the training process. Between February 15, 2013 and July 11, 2013, Defendants provided Lead Counsel with nearly 20 detailed reports on the results of the training sets. The information provided to Lead Counsel generally included: (1) metrics such as Precision, Recall, Accuracy, and F-Measure; (2) a detailed summary of the statistics that are the basis for those metrics (true positives, true negatives, false positives, false negatives); (3) the parameters for the training sessions; (4) the number of documents coded responsive and non-responsive in each training session; (5) the cumulative total of responsive and non-responsive coded documents; (6) the breakdown of file-types for the documents covered by each report; and (7) the breakdown of the scores for certain multi-media file types requested by Lead Counsel. Based on these reports, and in consultation with in-house experts and Mr. Schieneman, Lead Counsel conferred with Defendants on different measures to improve the accuracy of the document search process and the parties' negotiated amendments to the predictive coding protocol.

67. On July 11, 2013, Defendants certified that the predictive coding system was stabilized, meaning the recall rate was not predicted to change with any additional training. The software does not merely predict whether a document is responsive or non-responsive but predicts, on a continuum, how likely a document is to be responsive or non-responsive. Therefore, it is necessary to determine what percentage range can be safely assumed to be non-responsive and not included for further attorney review or production, subject to random sampling of the unreviewed documents as a quality assurance measure. The parties and their experts thoroughly negotiated

whether the system was truly stabilized, how the cut-off rate would be determined, and what additional quality assurance measures might be necessary. The parties ultimately agreed that over 677,000 documents would be reviewed by Defendants and all relevant non-privileged documents would be produced. Defendants began producing ESI from the 38 Phase I custodians at the end of August 2013. Ultimately, over 1.6 million pages of documents were produced for these 38 custodians.

e. Lead Counsel Identify Phase II Custodians

68. After analyzing the documents that had been produced thus far, Lead Counsel were able to identify additional custodians who were likely to possess relevant information. On May 16, 2013, Lead Counsel proposed the production of documents from an additional 28 custodians and the basis for why each of the proposed custodians was likely to possess relevant documents. Lead Counsel requested and received volume and file-type breakdown for each of the proposed custodians. The parties began exploring how to incorporate additional documents from the additional custodians into the predictive coding system so that the parties could benefit from the extensive training that had already been done and to expedite the production of documents from any additional custodians.

69. As of December 5, 2013, after extensive discussions regarding the need for additional custodians and the relevance of each of the proposed custodians, the parties agreed that the data of 19 additional custodians would be incorporated into the predictive coding system. The data from these Phase II custodians amounted to over 650,000 additional documents. The parties agreed that certain additional shared drive data for the first 38 custodians would also be added to the predictive coding system.

70. Although the parties benefited from the previous extensive training of the predictive coding system, additional testing, training, and quality assurance measures were necessary in order

to appropriately incorporate additional data into the predictive coding software. The parties negotiated and agreed to a separate predictive coding protocol for the search of documents associated with the Phase II custodians. The production of documents from Phase I and Phase II of the predictive coding process continued into 2014. In the end, Defendants produced more than 2.5 million pages of documents that were identified through the predictive coding process.

4. Fact Witness and Defendant Depositions

71. In preparation for trial, Lead Counsel identified approximately 50 individuals and entities whose testimony Lead Plaintiffs wanted for trial. The parties spent several months negotiating an extension of the Fed. R. Civ. P. 30(a)(2)(A)(i) deposition limit. During these negotiations, Lead Counsel identified the basis for each proposed deposition, including relevant documents associated with each proposed witness. Based on these negotiations, the parties ultimately agreed that Lead Counsel could take approximately 39 depositions (certain categories of deponents were limited based on deposition time rather than by the deponent). Prior to the Settlement, Lead Counsel had taken the depositions of 38 current and former Sprint Nextel employees and directors, including all of the Individual Defendants except Paul Saleh. These depositions took place throughout the country and are set forth as follows:

DEPONENT	DATE	LOCATION
Patricia Tikkala (30(b)(6) designee on the subjects of goodwill, rebanding, Sarbanes Oxley ("SOX") Compliance, and Securities and Exchange Commission ("SEC") Filings)	Nov. 29, 2012	Washington, D.C.
Bradford Hampton (30(b)(6) designee on the subjects of forecasting and customer metrics)	Jan. 8, 2013	Overland Park, KS
Julie Brown (30(b)(6) designee on the subject of integration problems, including synergies)	Jan. 23, 2013	Overland Park, KS

Marty Nevshemal (30(b)(6) designee on the subject of preparation of public statements and risk disclosures)	Jan. 23, 2013	Overland Park, KS
Marci Carris (30(b)(6) designee on the subjects of credit and collections)	Jan. 25, 2013	Overland Park, KS
Eugene Agee	Mar. 26, 2014	Kansas City, MO
Sean Garrett	Mar. 28, 2014	Kansas City, MO
Dick LeFave	Apr. 10, 2014	Linthicum Heights, MD
Michael Bray	Apr. 10, 2014	Kansas City, MO
Yijing Brentano	Apr. 18, 2014	Kansas City, MO
Michael Upchurch	Apr. 23, 2014	Kansas City, MO
William White	Apr. 25, 2014	Kansas City, MO
Stephen Spizuoco	May 2, 2014	Washington, DC
Timothy Kelly	May 6, 2014	Mt. Pleasant, SC
Marci Carris	May 6, 2014	Kansas City, MO
Bob Johnson	May 8, 2014	Bethesda, MD
Len Lauer	May 9, 2014	San Diego, CA
Richard Lindahl	May 14, 2014	Washington, DC
Bob Azzi	May 21, 2014	Kansas City, MO
Terry Carlton	May 22, 2014	Kansas City, MO
Atish Gude	June 3, 2014	New York, NY
Steven Nielsen	June 4, 2014	Seattle, WA
James Belger	July 9, 2014	Washington, DC
Keith Cowan	July 17, 2014	Atlanta, GA
Daniel Welch	July 18, 2014	San Diego, CA
Mark Angelino	July 25, 2014	Mt. Pleasant, SC
Scott Wagner	July 30, 2014	Kansas City, MO
Marty Nevshemal	July 31, 2014	Kansas City, MO
Michael Kalten	July 31, 2014	Washington, DC
Paul Schieber	Aug. 12, 2014	Kansas City, MO
William Bakopanos	Aug. 13, 2014	Washington, DC
Daniel Fraser	Aug. 21, 2014	Washington, DC
Kurtis Fawkes	Aug. 28, 2014	Denver, CO
Kathryn Walker	Sept. 5, 2014	Kansas City, MO
Christopher Gregoire	Oct. 24, 2014	Washington, DC
William Arendt	Nov. 5-6, 2014	Washington, DC
Daniel Hesse	Nov. 6, 2014	Kansas City, MO
Gary Forsee	Nov. 11-12, 2014	Kansas City, MO

72. These depositions were critical in developing evidence concerning the integration of Sprint and Nextel, credit standards, subscriber metrics, Sprint's 4G network and the valuation of that network, rebanding, and goodwill. The depositions were also critical in establishing the admissibility of documentary evidence and fleshing out Defendants' defenses. All told, in the Sprint Nextel and third party depositions, Lead Counsel marked over 1,400 exhibits. Based on deposition testimony, Lead Counsel also continually assessed the sufficiency of Defendants' document productions in order to request additional documents relevant to proving Lead Plaintiffs' case. In sum, Lead Counsel took over 260 hours of deposition testimony from Defendants and Sprint witnesses.

73. In addition to taking depositions, Lead Counsel prepared and defended the depositions of the Fed. R. Civ. P. 30(b)(6) designees from each of the Lead Plaintiffs. These depositions were as follows:

DEPONENT	DATE	LOCATION
Maria Wieck, PACE	Dec. 16, 2011	Chicago, IL
Jonas Nyquist, Skandia	Jan. 13, 2012	New York, NY
Craig Slaughter, WVIMB	Feb. 28, 2012	New York, NY

5. Third Party Discovery

74. Much of the relevant information in this litigation was in the possession, custody, or control of third parties. Lead Counsel served subpoenas on and negotiated document productions with 61 third parties across the United States and Europe, including KPMG, EY, CIBC World Markets, The Carlyle Group, Citigroup, Credit Suisse, DBRS, Deloitte & Touche, Fitch Ratings, Goldman Sachs, JP Morgan, Lehman Brothers, Merrill Lynch, Moody's Investors Service, Morgan Stanley, Prudential, Standard & Poor's, UBS, and current or former officers of Sprint.

75. The document productions from the third parties, including EY and KPMG, exceeded 1.7 million pages. As with Defendants' production, Lead Counsel expended significant resources reviewing, organizing, and analyzing these documents.

76. The third parties subpoenaed by Lead Plaintiffs in this action are set forth below:

PERSON/ENTITY	SUBPOENA DATE
Aon Corporation	May 31, 2011
Bank of America[2]	Feb. 8, 2011
The Carlyle Group (TC Group LLC)	Mar. 11, 2011
CIBC World Markets Corp.	Feb. 8, 2011
Citigroup Global Markets, Inc.	Feb. 17, 2011
Credit Suisse Securities (USA) LLC	Feb. 8, 2011
DBRS, Inc.	Feb. 10, 2011
DBRS, Ltd.	Mar. 2, 2011
Deloitte & Touche LLP	Feb. 17, 2011
Ernst & Young, LLP	May 12, 2011
Fitch Ratings, Ltd.	Feb. 17, 2011
Goldman, Sachs & Co.	Feb. 17, 2011
J.P. Morgan Securities Inc.	Feb.17, 2011
King & Spalding, LLP	July 14, 2011
KPMG LLP	Feb. 17, 2011
Lazard Fréres & Co. LLC	Feb. 17, 2011
Lehman Brothers, Inc.	Feb. 23, 2011
Marsh & McLennan Companies, Inc.	May 31, 2011
Merrill Lynch, Pierce, Fenner & Smith, Inc.	Mar. 14, 2012
Moody's Investors Service, Inc.	Feb. 10, 2011
Morgan Stanley & Co., Inc.	Feb. 8, 2011

[2] A subpoena to produce documents was originally issued to Bank of America Corp. on February 8, 2011. It was reissued to Merrill Lynch on March 14, 2012.

Oppenheimer & Co., Inc.	Feb. 8, 2011
Prudential Equity Group, LLC	Feb. 9, 2011
Raymond James & Associates, Inc.	Feb. 9, 2011
Standard & Poor's Financial Services LLC	Feb. 10, 2011
UBS Securities, LLC	Feb. 8, 2011
Eugene Agee (Sprint)	Mar. 17, 2014
Mark Angelino (Sprint)	Mar. 26, 2014
Bob Azzi (Sprint)	Mar. 26, 2014
William Bakopanos (Sprint)	Mar. 26, 2014
James Belger (Sprint)	Mar. 26, 2014
Michael Bray (Sprint)	Mar. 18, 2014
Yijing Brentano (Sprint)	Mar 26, 2014
Terry Carlton (Sprint)	Mar. 26, 2014
Marci Carris (Sprint)	Mar. 26, 2014
Keith Cowan (Sprint)	Mar. 26, 2014
Timothy Donahue (Sprint)	Mar. 11, 2014
Kurtis Fawkes (Sprint)	Mar. 26, 2014
Daniel Fraser (Sprint)	Mar. 26, 2014
Sean Garrett (Sprint)	Mar. 17, 2014
Christopher Gregoire (Sprint)	Mar. 26, 2014
Atish Gude (Sprint)	Mar. 26, 2014
James Hance (Sprint Nextel Board of Directors)	Aug. 21, 2014
Wade Hardy (E&Y)	Sept. 16, 2014
Daniel Hesse (Sprint)	Feb. 16, 2011; Mar. 26, 2014
Bob Johnson (Sprint)	Mar. 26, 2014
Michael Kalten (Sprint)	Mar. 26, 2014
Timothy Kelly (Sprint)	Mar. 26, 2014
Len Lauer (Sprint)	Mar. 26, 2014
Dick LeFave (Sprint)	Mar. 26, 2014

Richard Lindahl (Sprint)	Mar. 26, 2014
Marty Nevshemal (Sprint)	Mar. 26, 2014
Steven Nielsen (Sprint)	Mar. 26, 2014
Paul Schieber (Sprint)	Mar. 26, 2014
Stephen Spizuoco (Sprint)	Apr. 4, 2014
Michael Upchurch (Sprint)	Mar. 17, 2014
Scott Wagner (Sprint)	Mar. 26, 2014
Kathy Walker (Sprint)	Mar. 26, 2014
Daniel Welch (Sprint)	Mar. 26, 2014
William White (Sprint)	Apr. 7, 2014
Tolga Yaveroglu (Sprint)	Mar. 26, 2014

77. Lead Counsel engaged in numerous meet-and-confers with most of the subpoenaed third parties to discuss their objections to the subpoenas, to negotiate the scope of the subpoenas, and to arrange for the production of responsive documents. This required extensive coordinated efforts and expenditures of time and resources on Lead Counsel's part. The negotiations with KPMG and EY regarding the scope of production were particularly long and complex. With regard to EY, Lead Counsel negotiated for the search and production of a substantial volume of ESI, including the use of specific search terms. With regard to KPMG, the parties engaged in extensive negotiations regarding the relevance of the full sets of workpapers for relevant years, as well as whether documents associated with a PCAOB review of Sprint were privileged. Unable to resolve these issues, Lead Counsel twice moved to compel production of both the workpapers and certain documents related to the PCAOB review. These motions were filed before Judge Ortrie D. Smith of the United States District Court for the Western District of Missouri. Judge Smith ordered KPMG to produce workpapers and certain documents related to the PCAOB review, but held that other categories of PCAOB documents were privileged and not subject to production.

78. Lead Counsel also conducted the depositions of five third party fact witnesses (in addition to the third party Sprint witnesses identified above), including EY and KPMG witnesses and market analysts who covered the Company during the Class Period. The depositions are set forth as follows:

DEPONENT	DATE	LOCATION
Greg Miller Analyst, Deutsche Bank	Oct. 2, 2014	New York, NY
Bob Singleton Partner, KPMG	Oct. 8, 2014	Kansas City, MO
Robert Ling Partner, KPMG	Oct. 15, 2014	Kansas City, MO
Wade Hardy Principal, Ernst & Young	Oct. 23, 2014	Atlanta, GA
Jason Armstrong Analyst, Goldman Sachs	Oct. 29, 2014	West Conshohocken, PA

79. As with the Sprint depositions, these depositions were critical in developing evidence regarding Defendants' alleged fraud. In total, Lead Counsel took more than 25 hours of third party deposition testimony.

6. Expert Witness Discovery

80. Concurrent with class certification briefing, the parties engaged in extensive expert discovery. For example, after issuing a subpoena for production of documents on Defendants' class certification market efficiency expert, Professor Bajaj, Lead Counsel reviewed and analyzed over 2,460 documents comprising 131,876 pages. Following the review and analysis of these materials, and consultation with experts including Candace Preston, Lead Counsel deposed Professor Bajaj in San Francisco, California on June 15, 2012.

81. Plaintiffs engaged Candace Preston to provide rebuttal market efficiency testimony.

82. Ms. Preston is a Chartered Financial Analyst and principal and founding member of Financial Markets Analysis LLC. Ms. Preston received her MBA from the Wharton School of the

University of Pennsylvania and served as managing director responsible for valuations at the Bank of New York Capital Markets, Inc. In addition to her rebuttal testimony at class certification on the efficiency of the market for Sprint bonds, she was also retained to provide trial testimony on the efficiency of the market for Sprint's bonds, loss causation for bond holders associated with the January 18, 2008 and February 28-29, 2008 disclosures and the damages suffered by WVIMB and Class Member purchasers of Sprint bonds. Ms. Preston and Financial Markets Analysis LLC also assisted Lead Counsel in preparing the proposed plan of allocation for the distribution of the Settlement Funds.

83. Lead Plaintiffs worked with Ms. Preston to produce 52,872 pages of documents, and on May 31, 2013, Lead Plaintiffs defended Ms. Preston's deposition in New York, New York.

84. Lead Plaintiffs retained and worked with additional experts regarding the loss causation and damages for Sprint common stock, the loss causation for Sprint bonds, accounting and goodwill impairment, customers and credit in the mobile telephony market, and the securities and capital markets in general. As of December 2014, each of these experts had been extensively involved in reviewing the relevant evidentiary record and was preparing or had prepared expert reports for exchange with Defendants.

a. James Hitchner and Financial Valuation Advisors

85. James Hitchner is the Managing Director of Financial Valuation Advisors and Editor in Chief of *Financial Valuation and Litigation Expert*, a bimonthly journal that presents views and tools from some of the leading experts in valuation, forensics/fraud and litigation services. Prior to founding Financial Valuation Advisors, Mr. Hitchner was the partner in charge of Valuation Services for the Southern Region of Coopers & Lybrand (now PricewaterhouseCoopers). Mr. Hitchner was retained to provide testimony on Sprint's accounting for and reporting of goodwill and

merger synergies, including the valuation of Sprint assets that comprised the goodwill and Sprint's goodwill writeoff.

b. William Herndon Lehr

86. William Lehr is a Professor at the Massachusetts Institute of Technology. Dr. Lehr received his Ph.D. in Economics from Stanford University, his MBA from the Wharton School of the University of Pennsylvania and served as associate director of the MIT Research Program on Internet & Telecoms Convergence. Dr. Lehr was retained to provide testimony on the cellular telecommunications industry and customer base in general and at Sprint in particular, including the effect on that customer base of credit changes.

c. Gregg Jarrell and Forensic Economics Inc.

87. Gregg Jarrell is a Professor of Finance and Economics at the Simon School of Business of the University of Rochester. Dr. Jarrell received his MBA and Ph.D. from the University of Chicago and served as the chief economist of the SEC. Dr. Jarrell worked with the firm Forensic Economics Inc., also of Rochester, NY, in preparing his testimony in this case. Dr. Jarrell was retained to provide testimony on the efficiency of the market for Sprint's common stock, loss causation associated with the January 18, 2008 and February 28-29, 2008 disclosures and the damages suffered by Lead Plaintiffs and Class Member purchasers of Sprint common stock. Dr. Jarrell and Forensic Economics Inc. also assisted Lead Counsel in preparing the proposed plan of allocation for the distribution of the Settlement Funds

d. Richard Puntillo

88. Richard Puntillo is a Professor Emeritus at the University of San Francisco and teaches at the School of Management. Professor Puntillo received his MBA in Finance and Economics from the University of California, Berkeley and spent nearly a decade as an investment

banker. Professor Puntillo was retained to provide testimony on Sprint's securities and the structure of the capital markets for those securities.

7. Discovery Disputes Regarding Interrogatories

89. Between September and December 2011, the parties met and conferred regarding certain of Defendants' objections and responses to Plaintiffs' First Set of Interrogatories and First Set of Requests for Admission. Lead Counsel and Defendants exchanged a total of ten letters on the subject. While the parties resolved many of their issues, they were unable to come to an agreement on Defendants' obligation to respond to certain interrogatories (Interrogatories 3, 7 and 8). In March 2012, the parties submitted letter briefs and oral argument to the Court. On April 20, 2012, Judge Humphreys granted Lead Plaintiffs' motion to compel a more detailed response to Interrogatory No. 3 regarding loss causation, but denied the request as to Interrogatory Nos. 7 and 8, finding that the information sought would be better procured through depositions. ECF No. 157.

8. In-House Forensic Accounting Experts

90. In order to properly understand and analyze the financial and accounting issues in the case, conduct effective discovery and interpret the findings during discovery, Lead Counsel employed highly specialized in-house forensic accounting professionals to provide investigative accounting, auditing and financial expertise to Lead Counsel throughout the pendency of the Litigation. Chris Yurcek, CPA and James Feldman, CPA (collectively, the "Forensic Accountants"), provided the majority of forensic accounting services in this case. They worked side-by-side with Lead Counsel in case investigation and evaluation, ongoing accounting analysis, preparing and responding to motions, and assisting with document discovery, depositions, and case mediation.

91. Mr. Yurcek is a Director of the forensic accounting department at Robbins Geller. He is a Certified Public Accountant and has been designated by the American Institute of Certified Public Accountants ("AICPA") as Certified in Financial Forensics (CFF). Mr. Yurcek has over 25

years of public accounting and consulting experience, including extensive experience in forensic accounting and fraud investigations, auditing at both national and local CPA firms, complex business litigation and bankruptcy fraud consulting. Mr. Yurcek is an active member of the AICPA, the California Society of Certified Public Accountants ("CalCPA") and the Association of Certified Fraud Examiners.

92. Mr. Feldman is a forensic accountant in the forensic accounting department at Robbins Geller. He is a CPA and he also holds the CFF and the Accredited in Business Valuation ("ABV") credentials awarded by the AICPA. Mr. Feldman has over 20 years of experience in forensic accounting and fraud investigations, auditing, and accounting and finance, and he holds an MBA in finance and management policy from Northwestern University. Prior to joining the firm, he led the AICPA's Division of Litigation Services and Business Valuations, and prior to that he was manager of a public accounting firm performing forensic accounting, fraud investigations, and business valuations. He is an active member of the AICPA.

93. The Forensic Accountants, *inter alia*, reviewed Sprint's publicly available SEC filings and analyst reports, analyzing and cataloguing the Company's disclosures regarding the merger with Nextel, the purchase price allocation, and financial metrics and results impacting the Company's value dating back several years prior to the Class Period. They also performed extensive research of authoritative literature and industry trends and practices relating to the accounting for goodwill resulting from mergers and acquisitions, as well as the testing for subsequent impairment of such goodwill. This information was used throughout the case by Lead Counsel in case evaluation, pleadings, evidence analysis, as well as by Lead Plaintiffs' outside experts.

94. The Forensic Accountants assisted in identifying accounting issues and developing and drafting document discovery necessary to successfully prosecute the case's accounting and

financial allegations, and assisted in discovery negotiations and motion practice to that end. This included determining the scope and breadth of documents that would be required from the Company's independent auditor, KPMG, and its valuation consultant, EY, in order to fully investigate the issues in the case. The Forensic Accountants participated in numerous discovery conferences, and assisted with drafting the successful motion to compel complete sets of KPMG audit and valuation workpapers for multiple years. The Forensic Accountants continually assessed the sufficiency of KPMG and EY's rolling document productions, KPMG's compliance with the Court's order on the motion to compel documents, and assisted Lead Counsel throughout the Litigation to address Defendants' and KPMG's relevance objections and privilege claims. Separately, the Forensic Accountants provided indispensable assistance in identifying the types of electronic discovery that would be pursued from KPMG and EY, including preparing for and participating in numerous discovery conferences with counsel for KPMG and EY to identify and negotiate custodians and search terms agreeable to all parties.

95. The accounting allegations in this case were highly technical and complex. The Forensic Accountants were of critical importance in helping Lead Counsel grasp and understand the goodwill valuation issues central to the accounting case, including making numerous presentations to counsel, consultants, and experts regarding complex accounting and valuation issues, and developing, monitoring, and refining the effectiveness of electronic document search parameters and review procedures aimed at helping Lead Counsel continually identify and assess documentary evidence relevant to the goodwill impairment issue. Lead Counsel consulted the Forensic Accountants on an on-going, open door basis to assist in making important judgments about the relative importance of particular documents located.

96. The Forensic Accountants reviewed and analyzed the voluminous productions of accounting and finance-related documents obtained from Defendants, EY, and KPMG. The results of this analysis and review were critical to developing evidence for the goodwill impairment issues in the case, and construction of financial models necessary to prove the goodwill impairment allegations in the Complaint. A significant portion of this review time was spent analyzing the Company's and EY's reports, supporting documents, and native spreadsheets to identify support for Defendants' goodwill impairment valuations, formulas used, the assumptions made and the support or lack thereof for those assumptions. The Forensic Accountants deconstructed and analyzed the detailed operating and financial assumptions underlying the Company's actual and projected earnings, cash flow, and growth assumptions, as well as the risk of achieving those earnings and cash flow projections, as applicable. The Forensic Accountants performed extensive search and analysis of the documents contained in the production database to identify financial, accounting, operational, and forecasting documents containing information Lead Counsel could use to impeach the Company's earnings, cash flow, growth, and risk assumptions imbedded in its goodwill impairment tests.

97. The Forensic Accountants also were instrumental in identifying, interviewing, vetting, and selecting Lead Plaintiffs' accounting and valuation expert witness, James Hitchner. This included research of candidates' prior testimony, publications, potentially unfavorable gate-keeping opinions, and checking professional references. The Forensic Accountants also played a vital role in providing support and assistance to Mr. Hitchner and his staff with the documents and testimony necessary for the experts' comprehensive goodwill valuation models and the preparation of the expert's proposed testimony.

98. Lead Counsel also deposed numerous accounting, auditing and finance professionals employed by Sprint, KPMG, or EY. The Forensic Accountants played a crucial role in this deposition process. They assisted in identifying key deponents, clarifying deposition objectives, explaining complex audit, accounting, and valuation principles, selecting deposition exhibits, developing extensive deposition outlines, and participating in many depositions in order to evaluate testimony and confer with Lead Counsel in real-time. As a result, Lead Counsel were more effective during depositions, eliciting testimony helpful to Lead Plaintiffs' case.

99. The Forensic Accountants' substantial efforts in this case were important in achieving a successful outcome.

III. THE STRENGTHS AND WEAKNESSES OF THE CASE

100. Lead Plaintiffs, by and through Lead Counsel, zealously litigated this case, and settlement in this Litigation was reached only after Lead Counsel had a thorough understanding of the strengths and weaknesses of the claims alleged in the Complaint. At the time of settlement, nearly all fact discovery was complete and Lead Plaintiffs were preparing to exchange their expert reports. Accordingly, Lead Plaintiffs and Lead Counsel fully understood the strengths and weaknesses of their claims and the damages suffered by the Class.

101. Although Lead Plaintiffs firmly believe that their case is meritorious and that the Class could ultimately prevail in establishing both liability and damages, they also understand that there is no way of predicting which interpretations, inferences, or testimony a jury would accept. Further, Defendants have adamantly denied any culpability throughout the litigation and were prepared to mount aggressive defenses that could potentially bar a Class recovery. If the jury sided with Defendants on even one of their defenses, the Class would recover nothing. Defendants repeatedly asserted that they were prepared to aggressively challenge each and every element of Lead Plaintiffs' case alleging violations of the federal securities laws.

A. Falsity

102. As to falsity, Lead Plaintiffs alleged that certain statements by Defendants regarding the Sprint-Nextel integration and Sprint's goodwill were false and misleading when made. *See, e.g.*, ECF No. 33, ¶¶23-73. Defendants on the other hand, asserted that these statements were not actionable. In particular, Defendants argued that these were simply statements of opinion and could not have been false (or actionable) unless Defendants actually did not believe they were true. Defendants further asserted that these statements were made in reliance upon KPMG, EY and a host of experts within Sprint. While there were disputes about the information shared with these experts, there is no question that Defendants would have been able to point to the auditors and Sprint personnel and argue that they approved of each of the statements regarding the Sprint-Nextel integration and Sprint's goodwill.

103. Defendants also maintained that the alleged false and misleading statements regarding Sprint's credit and customer metrics were true when made. Again, the parties disputed the import of documentary and testimonial evidence regarding the timing of changes to Sprint's credit and whether and how those credit changes were disclosed to investors. If the Court or the jury found Defendants' arguments compelling, Lead Plaintiffs would have been hard-pressed to prevail at trial on these statements.

104. In addition, it was clear that Defendants intended to present aggressive arguments that the "truth was in the market" and investors were aware of the true state of Sprint's merger with Nextel and customer base throughout the Class Period. While the parties disagreed about the merits of this argument, Lead Plaintiffs recognized that negative media coverage about the merger and about the quality and size of Sprint's customer base had caused the price of Sprint securities to decline during the Class Period. If the jury believed that these price declines were the result of the

true facts about Sprint's business entering the market before the end of the Class Period, the Class would likely recover nothing.

B. Scienter

105. In addition to the very real risks Lead Plaintiffs faced establishing falsity, Defendants were also prepared to mount a strong defense asserting that Lead Plaintiffs could not establish that Defendants made any false or misleading statements with the requisite intent. At a minimum, Lead Plaintiffs were required to establish that Defendants were reckless in issuing the alleged false and misleading statements and omissions. Based on the testimony of the Individual Defendants and other Sprint witnesses, Defendants were prepared to argue at trial that Lead Plaintiffs could not establish that Defendants' statements regarding either goodwill or Sprint's customer base were reckless because Defendants had a robust disclosure process in place that included review by inside and outside experts.

106. Defendants were also prepared to argue at trial that Lead Plaintiffs could not demonstrate scienter because there was insufficient evidence of any motive to issue false or misleading statements. In particular, Defendants focused on the fact that they had not sold any stock and that Sprint was actually buying back stock on the open market during much of the Class Period. While these facts are not dispositive of the issue of motive, it was not inconceivable that a jury would question why Defendants would commit fraud if they did not personally profit from it.

C. Loss Causation and Damages

107. Even if Lead Plaintiffs succeeded in proving liability, a major risk going forward related to Lead Plaintiffs' ability to prove loss causation and damages. To establish loss causation and damages, Lead Plaintiffs' experts, Candace Preston and Gregg Jarrell, were required to examine the declines in the price of Sprint securities on and around January 18, 2008 and February 28-29, 2008. While there was no dispute that Sprint's common stock and most of the relevant bonds

suffered price declines on those days, there was a significant dispute about whether and how much of those declines could be attributed to disclosures about the alleged fraud.

108. Lead Plaintiffs and their experts recognized that the disclosures at the end of the Class Period were not solely related to the alleged fraud, but contained other negative news about Sprint's business and future prospects. Lead Plaintiffs and their experts had the arduous task of parsing those portions of the securities price declines related to the alleged fraud as opposed to those related to other Sprint and telecommunications news. This task was made all the more difficult by the fact that these disclosures, and the decline in Sprint's securities prices, took place just as the credit crisis and recession of 2008 were emerging.

109. While Lead Plaintiffs had the burden of identifying and isolating the fraud-related damages suffered by Class Members, Defendants only had to identify a flaw with the methodology selected by Lead Plaintiffs' experts to prevail on a *Daubert* motion or win the inevitable battle of the experts before the jury. Defendants left no doubt that they would argue that Lead Plaintiffs could not isolate any fraud-related damages and, as a result, the case either should not reach a jury or that the jury had no choice but to determine that there were no cognizable damages.

110. In short, the parties disagreed on the merits of this case, including whether or not damages were suffered and recoverable. Defendants strongly defended this lawsuit with attorneys from two of the largest law firms in the country, Skadden, Arps, Slate, Meagher & Flom LLP and Baker & McKenzie, as well as local attorneys from Rouse Hendricks German May PC, and consistently denied that they were liable in any respect or that Lead Plaintiffs or the Class suffered any injury. Accordingly, recovery of any amount at trial was far from certain.

IV. SETTLEMENT NEGOTIATIONS

111. While Lead Plaintiffs' class certification motion was pending, the parties began settlement discussions with the Honorable Layn R. Phillips (Ret.), one of the most well-respected

mediators in the country for complex class actions. The parties submitted multiple detailed mediation statements and exhibits, along with replies, to the mediator that outlined each side's critical facts and legal principles.

112. On April 11, 2013, the parties participated in a mediation session in New York with Judge Phillips. In connection with the mediation process, Lead Plaintiffs conducted arm's-length negotiations with respect to a potential compromise and settlement of the Litigation with a view to achieving the best relief possible consistent with the interests of the Class. In both private and group sessions, the parties addressed such issues as: whether Sprint's goodwill write down was timely; the completeness of Defendants' disclosures about its credit policies, merger synergies, and progress and costs of rebanding; whether the length of Lead Plaintiffs' alleged Class Period was tenable; causation; and whether intervening factors caused the drops in the price of Sprint's securities and Lead Plaintiffs' damages. Despite the good faith efforts of the parties, Lead Plaintiffs and Defendants were unable to reach a settlement at the conclusion of the April 2013 mediation.

113. Following additional settlement discussions both with and facilitated by Judge Phillips, the parties participated in a second face-to-face mediation with Judge Phillips on July 8, 2014. Both sides again drafted and submitted supplemental mediation statements and exhibits, including citations to well over 100 documents and testimony. Once again, the parties made presentations to each other regarding the strengths and weaknesses of the case. And, again, despite their best efforts, Lead Plaintiffs and Defendants were unable to reach a settlement at the conclusion of the mediation.

114. Following the second mediation session, the parties continued their settlement discussions through numerous telephone and email communications with Judge Phillips. Finally, on December 6, 2014, the parties engaged in another face-to-face mediation with Judge Phillips. While

substantial progress was made, the parties were unable to reach a settlement at the December 6, 2014 mediation session. Following the mediation, however, Judge Phillips made a mediator's proposal that the Litigation settle for $131,000,000 in cash. On December 29, 2014, all parties accepted Judge Phillips' proposal. Following lengthy negotiations on the terms, the Stipulation was executed on March 26, 2015.

V. SETTLEMENT TERMS

115. The settlement set forth in the Stipulation resolves the claims of the Class against all Defendants. The Stipulation provides that Defendants will pay $131,000,000 in cash, inclusive of attorneys' fees and costs. Within 21 days of the entry of the order granting preliminary approval of the settlement, Defendants transferred the entire $131,000,000 Settlement Amount to the Escrow Agent and the majority of the funds have been or will be invested in United States Agency or Treasury Securities. Interest on the Settlement Amount will accrue for the benefit of the Class.

116. The recovery to individual Class Members will depend on variables, including the number and type of Sprint publicly traded securities that the Class Member purchased and when such purchases were made. In the event that 100% of the eligible publicly traded securities of Sprint purchased or acquired by Class Members participate in the settlement, the estimated average recovery per share of Sprint common stock and bond unit will be approximately $0.26 and $5.891, respectively, before deduction of Court-approved fees and expenses. Historically, actual claim rates are lower than 100%, resulting in higher per share distributions.

VI. THE SETTLEMENT IS IN THE BEST INTEREST OF THE CLASS AND WARRANTS APPROVAL

117. Lead Plaintiffs believe they would have prevailed on the merits at trial. Defendants were just as adamant that Lead Plaintiffs would not have. There was a very real risk that Lead

Plaintiffs would not have convinced a jury that Defendants acted with scienter or that the alleged misrepresentations and omissions were materially false and misleading when made.

118. Having considered the foregoing, and evaluating Defendants' defenses, it is the informed judgment of Lead Counsel, based upon all proceedings to date and their extensive experience in litigating class actions under the federal securities laws, that the proposed settlement of this matter before the Court is fair, reasonable and adequate, and in the best interest of the class.

VII. THE PLAN OF ALLOCATION

119. The Net Settlement Fund will be distributed to Class Members who, in accordance with the terms of the Stipulation, are entitled to a distribution and who submit a valid and timely Proof of Claim and Release form. The Plan of Allocation provides that a Class Member will be eligible to participate in the distribution of the Net Settlement Fund only if the Class Member has an overall net loss on all of his, her or its transactions in Sprint common stock or the relevant bonds during the Class Period. For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Lead Counsel conferred with their damages experts, Gregg Jarrell and Candace Preston, and the proposed Plan of Allocation reflects an assessment of the damages that potentially could have been recovered by Class Members had Lead Plaintiffs prevailed at trial.

120. The Plan of Allocation takes into account the impact of Defendants' alleged misstatements and identifies damages and provides for the allocation of the Net Settlement Fund based on when during the Class Period the common stock or bonds were purchased.

121. The Plan of Allocation additionally accounts for each of the alleged disclosure periods — January 18, 2008 and February 28-29, 2008 — as well as the PSLRA's statutory 90-day look back period, in identifying damages and providing for an allocation of the Net Settlement Fund based on when the covered Sprint securities were sold. The Plan of Allocation additionally

addresses how claimants will share in the Net Settlement Fund if total claims exceed the Net Settlement Fund.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 8th day of May, 2015, at San Diego, California.

TOR GRONBORG