

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF WESTCHESTER

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 :  
 CAVALRY SPV I, LLC, :  
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 Plaintiff, :  
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 - against - :  
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 SPRINT SPECTRUM L.P.; PHILLIECO L.P.; :  
 SPRINTCOM, INC.; SPRINT TELEPHONY :  
 PCS, L.P.; SPRINT/UNITED MANAGEMENT :  
 COMPANY; UBIQUITEL OPERATING :  
 COMPANY; AMERICAN PCS :  
 COMMUNICATIONS, LLC; ALAMOSA :  
 MISSOURI, LLC; TEXAS :  
 TELECOMMUNICATIONS, LP; ALAMOSA :  
 WISCONSIN LIMITED PARTNERSHIP; :  
 WASHINGTON OREGON WIRELESS, LLC; :  
 SOUTHWEST PCS, L.P.; AIRGATE PCS, INC.; :  
 ENTERPRISE COMMUNICATIONS :  
 PARTNERSHIP; INDEPENDENT WIRELESS :  
 ONE CORPORATION; LOUISIANA UNWIRED, :  
 LLC; GULF COAST WIRELESS LIMITED :  
 PARTNERSHIP; TEXAS UNWIRED; GEORGIA :  
 PCS MANAGEMENT, LLC; SPCS CARIBE INC.; :  
 BRIGHT PERSONAL COMMUNICATIONS :  
 SERVICES, LLC; SHENANDOAH PERSONAL :  
 COMMUNICATIONS COMPANY; :  
 :  
 Defendants. :  
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Index No. \_\_\_\_\_

**COMPLAINT**

**FILED**  
 DEC 9 2009  
 TIMOTHY C. IDONI  
 COUNTY CLERK  
 COUNTY OF WESTCHESTER

Plaintiff CAVALRY I SPV, LLC ("Cavalry" or "Plaintiff"), by its attorneys Susman Godfrey LLP, as and for its complaint against defendants SPRINT SPECTRUM L.P., PHILLIECO L.P., SPRINTCOM, INC., SPRINT TELEPHONY, PCS, L.P., SPRINT/UNITED MANAGEMENT COMPANY, UBIQUITEL OPERATING COMPANY, AMERICAN PCS COMMUNICATIONS, LLC, ALAMOSA MISSOURI, LLC, TEXAS TELECOMMUNICATIONS, LP, ALAMOSA WISCONSIN LIMITED PARTNERSHIP, WASHINGTON OREGON WIRELESS, LLC, SOUTHWEST PCS, L.P.; AIRGATE PCS, INC., ENTERPRISE COMMUNICATIONS PARTNERSHIP; INDEPENDENT WIRELESS ONE CORPORATION; LOUISIANA UNWIRED, LLC, GULF COAST WIRELESS LIMITED PARTNERSHIP, TEXAS UNWIRED; GEORGIA PCS MANAGEMENT, LLC, SPCS CARIBE INC., BRIGHT PERSONAL COMMUNICATIONS SERVICES, LLC,

SHENANDOAH PERSONAL COMMUNICATIONS COMPANY (collectively "Sprint" or "Defendants") alleges as follows:

Nature of the Action

1. Cavalry brings this action against Sprint for Sprint's breach of eight Purchase and Sale Agreements ("Agreements") under which Cavalry purchased over \$2.3 billion in charged-off consumer wireless phone debt.

2. From December 2003 to May 2008, Cavalry purchased eight portfolios of charged-off wireless phone debt from Sprint pursuant to eight Purchase and Sale Agreements. The portfolios consisted of delinquent accounts for which Sprint had terminated service and charged off its books and records.

3. Sprint represented and warranted in each of the Purchase and Sale Agreements that, among other things, none of the accounts sold were subject to pending or threatened litigation.

4. Sprint breached its representations and warranties. Prior to selling to Cavalry the first portfolio—and unbeknownst to Cavalry—a class of California consumers sued Sprint in an action challenging the validity of the Early Termination Fees ("ETFs") that Sprint sold to Cavalry. Prior to selling to Cavalry the remaining seven portfolios—and unbeknownst to Cavalry—a class of Illinois consumers sued Sprint over the same ETF issue. And before selling the last two portfolios—and again unbeknownst to Cavalry—a separate nationwide class of consumers sued Sprint over the same ETF issue.

5. Cavalry would not have purchased the ETF accounts that were subject to threatened or actual litigation.

Parties and Venue

6. Plaintiff Cavalry is a limited liability company organized under the laws of Delaware and has its principal place of business at 7 Skyline Drive, Hawthorne, New York 10532.

7. Defendant Sprint Spectrum L.P. is a Delaware limited partnership with its principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. Sprint Spectrum L.P. may be served with process through The Prentice-Hall Corporation System, Inc., 80 State Street, Albany, New York 12207.

8. Defendant PhillieCo L.P. is a Delaware limited partnership with its principal place of business at 4900 Main Street, Kansas City, Missouri 64112-2683. PhillieCo L.P. may be served with process pursuant to B.C.L. § 307.

9. Defendant SprintCom, Inc. is a Kansas corporation with its principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. SprintCom, Inc. may be served with process pursuant to B.C.L. § 307.

10. Defendant Sprint Telephony PCS, L.P. is a Delaware corporation with its principal place of business at 2330 Shawnee Mission Parkway, Westwood, Kansas, 66205. Sprint Telephony PCS, L.P. may be served with process pursuant to B.C.L. § 307.

11. Defendant Sprint/United Management Company is a Kansas corporation with its principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. Sprint/United Management Company may be served with process through The Prentice-Hall Corporation System, Inc., 80 State Street, Albany, New York 12207.

12. Defendant Ubiquitel Operating Company is a Delaware corporation with its principal place of business at One West Elm Street, Suite 400, Conshohocken, Pennsylvania

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19428. Ubiquitel Operating Company may be served with process pursuant to B.C.L. § 307.

13. Defendant American PCS Communications, LLC is a Delaware limited liability company with its principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. American PCS Communications, LLC may be served pursuant to B.C.L. § 307.

14. Defendant Alamosa Missouri, LLC is a Missouri limited liability company with its principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. Alamosa Missouri may be served with process pursuant to B.C.L. § 307.

15. Defendant Texas Telecommunications, LP is a Texas limited partnership with its principal place of business at 5525 S. Loop 289, Suite 120, Lubbock, Texas 79424. Texas Telecommunications, LP may be served with process pursuant to B.C.L. § 307.

16. Defendant Alamosa Wisconsin Limited Partnership is a Wisconsin business trust. Plaintiff is unable to locate the principal place of business for Alamosa Wisconsin Limited Partnership. Alamosa Wisconsin Limited Partnership is a subsidiary of Alamosa PCS Holdings, which has a principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251, and can be served with process pursuant to B.C.L. § 307.

17. Defendant Washington Oregon Wireless, LLC is an Oregon limited liability company with a principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. Washington Oregon Wireless, LLC can be served with process through can be served with process pursuant to B.C.L. § 307.

18. Defendant Southwest PCS, L.P. is an Oklahoma limited partnership with its principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. Southwest PCS can be served with process pursuant to B.C.L. § 307.

19. Defendant Airgate PCS, Inc. is a Delaware corporation with its principal place of business at Harris Tower, 233 Peachtree Street NE, Suite 1700, Atlanta, Georgia 30303. Airgate PCS, Inc. can be served with process pursuant to B.C.L. § 307.

20. Defendant Enterprise Communications Partnership is a Georgia partnership and Sprint subsidiary. Enterprise Communications Partnership can be served with process pursuant to B.C.L. § 307.

21. Defendant Independent Wireless One Corporation is a Delaware corporation with its principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. Independent Wireless One Corporation can be served with process through Corporation Service Company, 80 State Street, Albany, New York 12207.

22. Defendant Louisiana Unwired, LLC is a Louisiana limited liability company with its principal place of business at One Lakeshore Drive, 19th Floor, Lake Charles, Louisiana 70629. Louisiana Unwired, LLC can be served with process pursuant to B.C.L. § 307.

23. Defendant Gulf Coast Wireless Limited Partnership is a Louisiana limited partnership with its principal place of business at 913 South Burnside Avenue, Gonzales, Louisiana 70737. Gulf Coast Limited Partnership can be served with process pursuant to B.C.L. § 307.

24. Defendant Texas Unwired is a Louisiana partnership with a principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. Texas Unwired can be served with process pursuant to B.C.L. § 307.

25. Defendant Georgia PCS Management, L.L.C. is a Georgia limited liability company with a principal place of business at 6500 Sprint Parkway, Overland Park, Kansas 66251. Georgia PCS Management can be served with process pursuant to B.C.L. § 307.

26. Defendant SPCS Caribe Inc. is a Puerto Rico corporation and a Sprint subsidiary. SPCS Caribe Inc. can be served with process pursuant to B.C.L. § 307.

27. Defendant Bright Personal Communications Services, LLC is an Ohio limited liability company with its principal place of business at 6500 Sprint Parkway, Overland Park,



Kansas 66251. Bright Personal Communications Services, LLC can be served with process pursuant to B.C.L. § 307.

28. Defendant Shenandoah Personal Communications Company is a Virginia corporation with its principal place of business at 106 Main Street, Edinburg, Virginia 22824. Shenandoah Personal Communications Company can be served with process pursuant to B.C.L. § 307.

Jurisdiction and Venue

29. This Court has jurisdiction over Defendants under CPLR § 302(a).

30. Venue is proper in New York County pursuant to CPLR § 503(c) because Cavalry's principal place of business is in Westchester County.

Factual Allegations

31. From December 2003 to May 2008, Cavalry purchased eight portfolios of charged-off wireless phone debt from Sprint. Cavalry paid more than \$87 million for the portfolios.

32. In each Purchase and Sale Agreement, Sprint represented and warranted that, among other things, none of the accounts sold were subject to pending or threatened litigation.

33. In July 2003—four months *before* Sprint and Cavalry entered into the first of the eight Purchase and Sale Agreements at issue here—a class of consumers sued Sprint in California state court contesting the validity of Early Termination Fees (“ETFs”). Sprint charged its wireless customers ETFs for cancelling their contracts early. Sprint sold accounts to Cavalry that were subject to this litigation.

34. In December 2008, the California court ruled that Sprint's ETFs were invalid under California law and enjoined Sprint from collecting ETFs in the future. Sprint has appealed the ruling. In its Statement of Decision, the trial court noted that “Sprint has sold accounts

receivable including an unknown amount of ETFs to third parties.” As a result, the court instructed Sprint to “inform the third parties of this decision.” Per the court, “[d]irecting Sprint to provide notification to the third party assignees will provide substantial relief for the class.”

35. On December 18, 2008, five-and-a-half years after the California class action suit against Sprint was filed and in response to the California court’s order, Sprint’s outside counsel, Quinn Emanuel, notified Cavalry of the litigation *for the very first time*. Prior to December 18, 2008, Cavalry did not know about this lawsuit.

36. By the time Sprint informed Cavalry of the California class action, Sprint had expressly warranted to Cavalry on eight separate occasions that none of the accounts that Cavalry purchased were subject to pending litigation. Sprint’s representations were false.

37. In February 2004, a class of Illinois consumers filed a class action against Sprint that, like the California case, contests the validity of ETFs.

38. Sprint *never* notified Cavalry about the Illinois class action, and Cavalry did not learn about it until after Sprint disclosed for the first time in December 2008 to Cavalry the existence of the California litigation.

39. In November 2007, a national class of Sprint customers filed a nationwide class action against Sprint in the District of New Jersey that, like the California and the Illinois cases, contests the validity of ETFs.

40. Sprint *never* notified Cavalry about the nationwide class action, and Cavalry did not learn about it until after Sprint disclosed for the first time in December 2008 to Cavalry the existence of the California litigation.

Count 1 – Breach of Contract

41. Cavalry incorporates by reference each of the preceding paragraphs.

42. Cavalry and Sprint are parties to eight Purchase and Sale Agreements, entered into between December 2003 through May 2008.

43. The Purchase and Sale Agreements are valid and binding contracts.

44. Sprint represented and warranted in each Purchase and Sale Agreement that the accounts that Cavalry purchased under the Agreement were not subject to pending or threatened litigation.

45. Sprint breached its representation and warranty that the accounts that Cavalry purchased under the Agreement were not subject to pending or threatened litigation because accounts containing ETFs were, in fact, subject to pending or threatened litigation.

46. At the time that Cavalry purchased the debt portfolios from Sprint, Sprint knew of the pending or threatened litigation regarding the ETFs, and Sprint failed to inform Cavalry of that litigation. Instead, Sprint represented and warranted that the accounts that Cavalry purchased were not subject to any pending or threatened litigation.

47. When Cavalry purchased debt portfolios from Sprint, Cavalry relied on Sprint's representations and warranties.

48. Cavalry has sustained damages as a result of Sprint's false representations that the accounts were not subject to pending or threatened litigation.

49. Cavalry seeks recovery of attorney's fees and costs incurred in connection with this lawsuit pursuant to the Agreements.



Prayer for Relief

WHEREFORE, Cavalry prays for relief as set forth below:

1. Awarding damages in favor of the Cavalry against Sprint for all damages sustained;
2. Awarding Cavalry the costs and disbursements of the action, including reasonable attorneys' fees, costs, and expenses; and
3. Granting such other and further relief as the Court deems just and proper.

Dated: Houston, Texas  
December 9, 2009



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