

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

IN RE SPRINT CORPORATION
ERISA LITIGATION

Civil Action No. 03-CV-2202-JWL

THIS DOCUMENT RELATES TO:
ALL ACTIONS

**FINDINGS AND ORDER PRELIMINARILY CERTIFYING A CLASS FOR
SETTLEMENT PURPOSES, PRELIMINARILY APPROVING PROPOSED
SETTLEMENT, APPROVING FORM AND DISSEMINATION OF CLASS NOTICE, AND
SETTING DATE FOR HEARING ON FINAL APPROVAL**

This litigation involves claims for alleged violations of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001, *et seq.* (“ERISA”), with respect to the Sprint Retirement Savings Plan, the Sprint Retirement Savings Plan for Bargaining Unit Employees and the Centel Retirement Savings Plan for Bargaining Unit Employees.

Presented to the *Court* for preliminary approval is a settlement of the litigation as against all *Defendants*. The terms of the *Settlement* are set out in a Class Action Settlement Agreement dated February 2, 2006 (the “*Settlement Agreement*”),¹ executed by *Co-Lead Counsel*, on behalf of the *Named Plaintiffs* and the *Settlement Class*, and by counsel for the *Defendants*.

The *Court* has preliminarily considered the *Settlement* to determine, among other things, whether to certify a class for settlement purposes only and whether the *Settlement* is sufficient to warrant the issuance of notice to members of the *Settlement Class*. Upon reviewing the *Settlement Agreement* and the matter having come before the *Court*, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

¹ Capitalized and italicized terms not otherwise defined in this Order shall have the same meaning as ascribed to them in the *Settlement Agreement*.

1. **Class Findings:** Solely for the purposes of the *Settlement*, the *Court* preliminarily finds that the requirements of the Federal Rules of Civil Procedure, the United States Constitution, the Rules of the *Court* and any other applicable law have been met as to the “*Settlement Class*” defined below, in that:

A. All findings in this Section 1 are based on the submissions to the *Court*, including the *Settlement Agreement*. These findings are not based upon any admissions, representations, assertions, or arguments by the *Defendants* that a class can, should, or would be certified in the *Action*, and these findings are made while preserving fully the *Defendants*’ rights to argue, in the event that the *Settlement* does not become *Final* or is terminated pursuant to the *Settlement Agreement*, that no class can or should be certified in the *Action*.

B. The *Court* preliminarily finds that, as required by Rule 23(a)(1), the *Settlement Class* is ascertainable from records kept with respect to the Sprint Retirement Savings Plan, the Sprint Retirement Savings Plan for Bargaining Unit Employees and the Centel Retirement Savings Plan for Bargaining Unit Employees (the “*Plans*”) and from other objective criteria, and the members of the *Settlement Class* are so numerous that their joinder before the *Court* would be impracticable.

C. The *Court* preliminarily finds that, as required by Rule 23(a)(2), there are one or more questions of fact and/or law common to the *Settlement Class*.

D. The *Court* preliminarily finds that, as required by Rule 23(a)(3), the claims of the *Named Plaintiffs* are typical of the claims of the *Settlement Class*.

E. The *Court* preliminarily finds, as required by Rule 23(a)(4), that the *Named Plaintiffs* will fairly and adequately protect the interests of the *Settlement Class* in that (i) the interests of *Named Plaintiffs* and the nature of their alleged claims are consistent with those of the members of the *Settlement Class*, (ii) there appear to be no conflicts between or among

the *Named Plaintiffs* and the *Settlement Class*, and (iii) the *Named Plaintiffs* and the members of the *Settlement Class* are represented by qualified, reputable counsel who are experienced in preparing and prosecuting large, complicated *ERISA* class actions.

F. The *Court* preliminarily finds that, as required by Rule 23(b)(1), the prosecution of separate actions by individual members of the *Settlement Class* would create a risk of (i) inconsistent or varying adjudications as to individual class members, that would establish incompatible standards of conduct for the parties opposing the claims asserted in the *ERISA Action* or (ii) adjudications as to individual class members that would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications, or substantially impair or impede those persons' ability to protect their interests.

G. The *Court* preliminarily finds that, as required by Rule 23(b)(2), the *Defendants* have acted or did not act on grounds generally applicable to the *Settlement Class*, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the *Settlement Class* as a whole.

H. The *Court* preliminarily finds that, as required by Rule 23(g), *Co-Lead Counsel* are capable of fairly and adequately representing the interests of the *Settlement Class*, in that *Co-Lead Counsel* have done extensive work identifying or investigating potential claims in the action, and have litigated the validity of those claims at the motion to dismiss stage of this case; *Co-Lead Counsel* are experienced in handling class actions and claims of the type asserted in the *Action*; *Co-Lead Counsel* are knowledgeable of the applicable law; and *Co-Lead Counsel* have committed the necessary resources to represent the *Settlement Class*.

2. **Class Certification** – Based solely on the findings set forth in Section 1 above, and not on any admissions, representations, assertions, or arguments by the *Defendants*, the *Court* preliminarily certifies the following class for settlement purposes under Fed. R. Civ. P. 23(b)(1) and/or

(b)(2) and 23(e) in this litigation (the “*Settlement Class*”): all Participants in the *Plans* for whose individual accounts the *Plans* purchased and/or held shares of the Sprint FON Stock Fund, the Sprint PCS Stock Fund, the TRASOP Sprint Stock Fund, the TRASOP Sprint PCS Stock Fund, the Sprint FON CESOP Fund and/or the Sprint PCS CESOP Stock Fund from June 2, 1998 through and including February 13, 2003. Excluded from the *Settlement Class* are *Defendants* herein, members of the board of directors of Sprint Corporation, and the beneficiaries of any of the foregoing under the *Plans*.

The Court appoints *Named Plaintiffs* as the class representatives for the *Settlement Class*, and *Co-Lead Counsel* as counsel for the *Settlement Class*.

3. **Preliminary Findings Regarding Proposed Settlement** – The Court preliminarily finds that (i) the proposed *Settlement* resulted from extensive arm’s-length negotiations, (ii) the *Settlement Agreement* was executed only after counsel for *Named Plaintiffs* had conducted pre-settlement discovery, (iii) counsel for *Named Plaintiffs* have concluded that the *Settlement Agreement* is fair, reasonable and adequate, and (iv) the *Settlement* evidenced by the *Settlement Agreement* is sufficiently fair, reasonable, and adequate to warrant sending notice of the *Settlement* to the *Settlement Class*.

4. **Fairness Hearing** – A hearing is scheduled for 9:30 a.m. on May 15, 2006 (the “*Fairness Hearing*”) to determine, among other things:

- Whether the *Settlement* should be approved as fair, reasonable and adequate;
- Whether the litigation should be dismissed with prejudice as to the *Defendants* pursuant to the terms of the *Settlement*;
- Whether the notice, summary notice, and notice methodology implemented pursuant to the *Settlement Agreement* (i) constituted the best practicable notice, (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise members of the

Settlement Class of the pendency of the litigation, their right to object to the *Settlement*, and their right to appear at the *Fairness Hearing*, (iii) were reasonable and constituted due, adequate, and sufficient notice to all persons entitled to notice and (iv) met all applicable requirements of the Federal Rules of Civil Procedure, and any other applicable law;

- Whether *Co-Lead Counsel* adequately represented the *Settlement Class* for purposes of entering into and implementing the *Settlement Agreement*;
- Whether the *Plan of Allocation* relating to the *Cash Settlement Fund*, referred to in Section 8.3 of the *Settlement Agreement* should be approved;
- Whether the motion for attorneys' fees, costs and expenses filed by *Co-Lead Counsel*, on behalf of *Appointed Counsel*, should be approved; and
- Whether the motion for compensation for the *Named Plaintiffs* should be approved.

5. **Class Notice** – The *Parties* have presented to the *Court* a proposed form of *Class Notice*, which is appended hereto as Exhibit A. With respect to such form of *Class Notice*, the *Court* finds that such form fairly and adequately (a) describes the terms and effect of the *Settlement Agreement* and of the *Settlement*, (b) notifies the *Settlement Class* concerning the proposed *Plan of Allocation*, (c) notifies the *Settlement Class* that *Class Counsel* will seek compensation from the *Settlement Fund* for the *Named Plaintiffs*, for reimbursement of non-taxable costs of litigation, and for attorneys' fees, with the aggregate of all such attorneys' fees, costs, expenses and any awards to the *Named Plaintiffs* not to exceed \$3.9 million in the aggregate (which awarded amounts shall be paid by the *Company* in accordance with Sections 8.4 and 10.2 of the *Settlement Agreement*), (d) gives notice to the *Settlement Class* of the time and place of the *Fairness Hearing*, and (e) describes how the recipients of the *Class Notice* may object to any of the relief requested. The *Parties* have proposed the following manner of communicating the notice to members of the *Settlement Class*, and

the *Court* finds that such proposed manner is the best notice practicable under the circumstances, and directs that *Co-Lead Counsel* shall:

- By no later than 30 days before the *Fairness Hearing*, cause the *Class Notice*, with such non-substantive modifications thereto as may be agreed upon by the *Parties*, to be mailed, by first-class mail, postage prepaid, to the last known address of each *Person* within the *Settlement Class* who can be identified by reasonable effort. *Defendants* shall use commercially reasonable efforts to assist *Co-Lead Counsel* in promptly obtaining the names and last known addresses of the members of the *Settlement Class*. The names and addresses *Co-Lead Counsel* obtain pursuant to this order shall be used solely for the purpose of providing notice of this *Settlement* and for no other purpose.
- By no later than 30 days before the *Fairness Hearing*, cause the *Class Notice* to be published on each website identified in the *Class Notice*.

At or before the *Fairness Hearing*, *Co-Lead Counsel* shall file with the *Court* a proof of timely compliance with the foregoing mailing and publication requirements.

6. **Objections to Settlement** – Any member of the *Settlement Class* who wishes to object to the fairness, reasonableness or adequacy of the *Settlement*, to the *Plan of Allocation*, to any term of the *Settlement Agreement*, to the proposed award of attorneys' fees, costs and expenses, or to any request for compensation for the *Named Plaintiffs* may file an Objection. An objector must file with the *Court* a statement of his, her, or its objection(s), specifying the reason(s), if any, for each such objection made, including any legal support and/or evidence that such objector wishes to bring to the *Court's* attention or introduce in support of such objection. The objector must also mail copies of the objection and all supporting law and/or evidence to *Co-Lead Counsel* and to counsel for the *Defendants*. The addresses for filing objections with the Court and service on counsel are as follows:

Clerk of the Court
United States District Court for the District of Kansas
500 State Avenue
Kansas City, KS 66101
Re: Civil Action No. 03-CV-2202-JWL

To Plaintiffs' *Co-Lead Counsel*:

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William Bernarduci
SCHATZ & NOBEL, P.C.
One Corporate Center
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Facsimile: (860) 493-6290

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6 East 45th Street
New York, NY 10017
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Facsimile: (212) 490-2022

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To *Defendants'* Counsel:

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Robert N. Eccles
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1625 Eye Street, NW
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The objector or his, her, or its counsel (if any) must effect service of copies of the objection on counsel listed above and file it with the *Court* by no later than seven (7) days before the date of the *Fairness Hearing*. If an objector hires an attorney to represent him, her, or it for the purposes of making such objection pursuant to this paragraph, the attorney must both effect service of a notice of appearance on counsel listed above and file it with the *Court* by no later than seven (7) days before the date of the *Fairness Hearing*. Any member of the *Settlement Class* or other *Person* who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the *Settlement*, and any untimely objection shall be barred.

7. **Appearance at Fairness Hearing** – Any objector who files and serves a timely, written objection in accordance with paragraph 6 above may also appear at the *Fairness Hearing* either in person or through counsel retained at the objector's expense. Objectors or their attorneys intending to appear at the *Fairness Hearing* must effect service of a notice of intention to appear setting forth, among other things, the name, address, and telephone number of the objector (and, if applicable, the name, address, and telephone number of the objector's attorney) on *Co-Lead Counsel* and *Defendants'* counsel (at the addresses set out above) and file it with the *Court* by no later than seven (7) days before the date of the *Fairness Hearing*. Any objector who does not timely file and

serve a notice of intention to appear in accordance with this paragraph may not be permitted to address the *Court* at the *Fairness Hearing*, in the *Court's* discretion.

8. **Notice Expenses** – The expenses of printing and mailing and publishing all notices required hereby shall be paid from the *Settlement Fund* as provided in Section 8.1 of the *Settlement Agreement*.

9. **Service of Papers** – *Appointed Counsel* and *Defendants'* counsel shall promptly furnish each other with copies of any and all objections that come into their possession.

10. **Termination of Settlement** – This Order shall become null and void, and shall be without prejudice to the rights of the *Parties*, all of whom shall be restored to their respective positions existing immediately before this *Court* entered this Order, if the *Settlement* is terminated in accordance with the *Settlement Agreement*. In such event, Section 9 of the *Settlement Agreement* shall govern the rights of the *Parties*.

11. **Use of Order** – This Order shall not be construed or used as an admission, concession, or declaration by or against *Defendants* of any fault, wrongdoing, breach, or liability. This Order shall not be construed or used as an admission, concession, or declaration by or against *Named Plaintiffs* or the *Settlement Class* that their claims lack merit or that the relief requested in the *Action* is inappropriate, improper or unavailable, or as a waiver by any party of any arguments, defenses, or claims he, she, or it may have, including, but not limited to, any objections by *Defendants* to class certification in the event that the *Settlement Agreement* is terminated.

12. **Continuance of Hearing** – The *Court* reserves the right to continue the *Fairness Hearing* without further written notice.

SO ORDERED this 24th day of February, 2006.

s/ John W. Lungstrum
HON. JOHN W. LUNGSTRUM
United States District Judge