

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Consumer Financial Protection Bureau, Plaintiff, v. Sprint Corporation, Defendant.	14-cv-09931 (WHP) Plaintiff’s Memorandum on the Joint Motion to Intervene to Modify Stipulated Final Judgment and Order
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The Consumer Financial Protection Bureau submits this memorandum in response to the Court’s April 10, 2017 order¹ directing the Bureau and the Department of Justice to state their positions with respect to the joint motion to intervene and to modify the stipulated final judgment and order filed by the Attorneys General of several states and Sprint Corporation. The stipulated final judgment and order entered in June 2015 (“Consent Order”) required Sprint to set aside \$50 million to provide redress to consumers.² Redress was administered under a consumer-redress plan (“Redress Plan”).³ The redress-administration process has concluded, and about \$15 million remains undistributed. Sprint retains this undistributed amount.

¹ See ECF No. 41.

² See ECF No. 25 ¶¶ 35-36.

³ See ECF No. 18-5.

The states and Sprint seek to modify the Consent Order and the Redress Plan to provide that these unused funds be directed to the National Association of Attorneys General and to an organization providing services and equipment to low-income high-school students.⁴ The Bureau's position is that the stipulated final judgment and order should not be modified. Federal Rule of Civil Procedure 60(a), which permits the Court to correct a clerical mistake or a mistake arising from oversight or omission, does not, in the Bureau's view, provide grounds for the proposed modification. As the Court noted in its April 10 order, the Redress Plan provides that the Bureau may, in consultation with certain states and the FCC, apply unused redress funds to other equitable relief reasonably related to the Complaint's allegations.⁵ The Bureau has not proposed doing so, however, and that provision is not at issue here.

As noted, Sprint retains the roughly \$15 million in unused redress funds. If the Court declines to modify the Consent Order, the Bureau would direct that Sprint pay the unused funds to the United States Treasury, consistent with ¶ 29 of the Redress Plan.

⁴ See ECF No. 40.

⁵ See ECF No. 18-5 ¶ 29.

FOR THE CONSUMER FINANCIAL
PROTECTION BUREAU:

Anthony Alexis
Enforcement Director

/s/ Jeffrey Paul Ehrlich
Jeffrey Paul Ehrlich
Deputy Enforcement Director

John C. Wells
Assistant Litigation Deputy

Patricia Hensler
Enforcement Attorney

Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
Telephone: 202-435-7598
e-mail: jeffrey.ehrlich@cfpb.gov