

Sprint to pay \$17.5 million to settle fee suit

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(AP) -- Sprint Nextel Corp. has agreed to pay \$17.5 million to settle a lawsuit claiming the fees it has charged customers who end their wireless contracts early are illegal.

The Overland Park, Kan.-based provider said it will pay \$14 million into a common fund and provide an additional \$3.5 million in non-cash benefits to class members. The lawsuit, filed in federal court in New Jersey, covers Sprint, Nextel or Sprint Nextel customers who signed personal or mixed personal/business service contracts between July 1, 1999, and Dec. 31, 2008.

Sprint said it will not insert a flat early termination fee provision in its customer contracts until 2011 but may charge pro-rated fees up until then.

Company spokesman Matt Sullivan said the settlement resolves all outstanding litigation regarding early termination fees except for a state court case pending in California.

The company has denied that the fees are illegal. A hearing to approve the settlement is scheduled for Oct. 21.

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