Crest Financial Files to Block Sprint, Clearwire Deal

Ben Munson

Crest Financial Limited, which owns an 8.3 percent share of Clearwire, has petitioned the FCC to block Sprint's proposed 100 percent acquisition of Clearwire, citing proper public notice was not issued in Sprint's 2012 deal with Eagle River Holdings to re-acquire a controlling stake in Clearwire.

In a petition [1] dated Jan. 4, Crest Financial claims the Commission's approval of that deal, which upped Sprint's Clearwire stock to 50.45 percent from 48.15, came without proper public notice due to it improperly being considered pro forma. Crest argues that the transaction gave Sprint de facto control, with seven non-independent Clearwire board members, a voting majority of the 13-member board.

"The very next day, Sprint began to assert the power to squeeze out all of Clearwire’s minority shareholders, including Crest," Crest wrote in the filing.

Citing the importance of the Eagle River transaction to Sprint's eventual bid for 100 percent of Clearwire, as well as Sprint's intention to sell a 70-percent stake of its company to Japan's Softbank, Crest urged the Commission to revisit that deal and invite the public to comment on it.

In December, Sprint made a formal offer to buy the roughly 50 percent of Clearwire it didn't already own for $2.2 billion or $2.97 per share.

"It is now clear that Sprint aims to deliver control of Clearwire’s spectrum to Softbank," according to Crest's petition.

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[1] http://apps.fcc.gov/ecfs/document/view?id=7022097801