

Clearwire Draws Sprint Funding for Third Straight Month

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After declining funding from Sprint in January and February, Clearwire has elected to take the funding for May, making it three straight months of \$80 million draws for a grand total of \$240 million.

The initial offer from Sprint totaled \$800 million to be lent to Clearwire over a 10-month period. The financing will be exchanged for Clearwire stock valued around \$1.50 per share.

As the financially struggling Clearwire continues to accept financing from Sprint, its majority shareholder, the company further complicates things with Dish Network. Dish earlier this year jumped in with an unsolicited bid to buy the remaining 50 percent of Clearwire for \$3.30 per share, a considerable premium over Sprint's agreed-upon price of \$2.97 to buy up the rest of Clearwire.

But as Dish seems to have now turned its focus toward its \$25.5 billion bid to merge with Sprint, Clearwire has more time to focus on keeping its head above water. Clearwire earlier this month announced it was considering defaulting on a \$255 million payment due in June, based upon nearly \$4.5 billion in debt.

And though it appears as if Clearwire is leaning toward the Sprint offer—last week it filed opposition to Dish's request for its deal with Sprint to be held in abeyance—it still has to fulfill its fiduciary duty to its shareholders. It's those shareholders who have been very vocal with their opposition to Sprint's offer.

Crest Financial has launched a proxy fight in an attempt to block the deal, and Reuters is now [reporting](#) [1] that Aurelius Capital has sued Clearwire and Sprint over the terms of the deal and the companies' handling of the approval process.

Both Crest and Aurelius have offered funding to Clearwire, totaling \$240 million, as an alternative to Sprint's money as Clearwire explores other offers and options.

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[1] <http://www.reuters.com/article/2013/04/26/us-clearwire-aurelius-lawsuit-idUSBRE93P19C20130426>