

Report: Clearwire Might Default if Sprint Bid Not Approved Soon

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Clearwire is considering defaulting on a \$255 million interest payment due in June, which is based on nearly \$4.5 billion in debt.

Reuters [dug into](#) [1] the company's [proxy filing](#) [2] from last week and saw that the company might consider bankruptcy if Sprint's proposed acquisition is not approved by shareholders.

Clearwire in December agreed to let Sprint acquire the 50 percent of the company it doesn't already own for \$2.97 per share. That deal has come into some question following Dish's \$25.5 billion offer to merge with Sprint. Sprint had previously agreed to allow Japanese carrier Softbank to acquire 70 percent of its company for approximately \$20 billion. The inflow of cash from Softbank was being funneled toward the offer to buy Clearwire.

Cash-strapped Clearwire has seen recent offers of funding from minority shareholder Crest Financial Limited and hedge fund Aurelius Capital Management LP, totaling \$240 million. These offers were extends as alternatives to the \$800 million in funding Sprint has offered Clearwire as the company's board considers Sprint's offer. In Friday's proxy filing, Clearwire said that Sprint, a majority shareholder, has the right to block such offers.

But Clearwire revealed another possible source of income, stating that an unnamed "strategic buyer" had offered between \$1 and \$1.5 billion to purchase certain spectrum leases. On Monday, the *Wall Street Journal* [reported](#) [3] the bidder is Verizon. If true, Verizon could face strong opposition to such a deal from Sprint.

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[1] <http://www.reuters.com/article/2013/04/13/us-clearwire-proxy-idUSBRE93B16V20130413>

[2] http://files.shareholder.com/downloads/CLWR/2206988762x0x568337/D56A00F3-C9DB-4D67-90FC-03E3FAA6EADC/Proxy_Clearwire_BMK.PDF

[3] http://online.wsj.com/article/SB10001424127887324345804578424514105025922.html?mod=WSJ_Tech_LEFTTopNews

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