

Sprint: Dish's Clearwire Bid "Not Actionable," Violates Law

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Sprint is firing back at Dish's offer to buy the remainder of Clearwire, calling the bid "not actionable" and saying it violates Delaware law and the existing Clearwire Equityholders' Agreement (EHA).

In [a letter sent Wednesday to Clearwire's board](#) [1], Sprint CEO Dan Hesse made it clear that his company "will not vote in favor of [Dish's] proposal, tender its shares in the offer or waive any of its rights as a stockholder or under the EHA."

The current Clearwire has been around since 2008, when Sprint merged its 2.5 GHz spectrum holdings with the old Clearwire and investors put roughly \$3.2 billion into the new company. Sprint and Clearwire's minority investors owned 80 percent of Clearwire at the time the EHA was put into place.

"Having invested billions I am sure you understand why Sprint is not willing to give up rights that were fundamental to the investment it made," Hesse wrote in the letter.

He goes on to explain that certain provisions in Dish's offer, like its insistence on choosing three Clearwire board members and exercising veto rights over certain Clearwire actions, violate Delaware law and the EHA. Hesse chides Dish as well for having more than five months to make its original offer actionable but instead "[Dish] waited until the eve of the Clearwire stockholder meeting to again propose the transaction it would like to have while assuming Delaware corporate law, the EHA and Clearwire's certificate of incorporation did not exist."

Last week, Dish offered to buy the roughly half of Clearwire that Sprint doesn't own for \$4.40 per share, trumping Sprint's existing offer of \$3.40 per share for Clearwire. Dish's raised bid [forced Clearwire to delay a shareholder vote](#) [2] on Sprint's offer until June 13.

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<http://www.wirelessweek.com/news/2013/06/sprint-dish%E2%80%99s-clearwire-bid-%E2%80%9Cnot-actionable%E2%80%9D-violates-law>

Links:

[1] <http://investors.sprint.com/file.aspx?IID=4057219&FID=17251722>

[2] <http://www.wirelessweek.com/news/2013/05/clearwire-postpones-sprint-vote->

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