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19 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
 20 **OAKLAND DIVISION**

21 IN RE: LITHIUM ION BATTERIES
 22 ANTITRUST LITIGATION

Case No. 13-md-02420-YGR
 MDL No. 2420

23
 24 This Document Relates to:
 25 *All Direct Purchaser Actions*

**DIRECT PURCHASER PLAINTIFFS’
 REPLY IN SUPPORT OF MOTION FOR
 ORDER AUTHORIZING DISTRIBUTION
 OF SETTLEMENT FUNDS AND
 OPPOSITION TO SPRINT
 COMMUNICATIONS, INC.’ S CROSS-
 MOTION**

Date: [Vacated]
 Time: n/a
 Judge: Hon. Yvonne Gonzalez Rogers
 28 Courtroom: 1

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STATUTES

Fed. R. Evid. 602 9

Fed. R. Evid. 701 9

1 Direct Purchaser Plaintiffs (“Plaintiffs”) submit this brief as a reply in support of their
2 Motion for Order Authorizing Distribution of Settlement Funds (ECF No. 2584) (“Distribution
3 Motion” or “Mot.”) and in opposition to Sprint Communications, Inc.’s Cross-Motion (ECF
4 No. 2597) (“Cross-Motion” or “X-Mot.”). Plaintiffs request that the Court grant the
5 Distribution Motion and deny the Cross-Motion in order to permit Plaintiffs to promptly
6 distribute more than \$91.5 million to more than 8,740 eligible class members.

7 I. INTRODUCTION

8 The Court-approved Settlement Administrator, Epiq Class Actions & Claims Solutions,
9 Inc. (“Settlement Administrator”), has conducted a fair, extensive, and reasonable review of
10 almost 10,000 claims. The only high-value claimant to dispute the proposed distribution order
11 is settlement class member Sprint Communications, Inc. (“Sprint”).¹ It has made a claim for an
12 award of a *pro rata* portion of the Plaintiffs’ settlement funds which Co-Lead Counsel, based
13 on the review and recommendation of the Settlement Administrator, have determined do not
14 qualify to share in the funds.

15 Most of Sprint’s claimed purchases are not in dispute and have been approved for
16 payment, which will amount to \$3,225,451.05. However, approximately 30% of Sprint’s
17 claimed purchases of mobile phones containing lithium ion batteries—those purportedly
18 directly from defendant SANYO—are disallowed because (1) Sprint’s own business records
19 show the mobile phone purchases were made from non-defendant Kyocera, *not* SANYO; and
20 (2) post-April 1, 2008 mobile phone purchases were correctly determined to not have been
21 from SANYO given that SANYO had sold off its mobile phone business by that date. Because
22 the Settlement Administrator properly relied on Sprint’s original business records and reduced
23

24
25 ¹ The Settlement Administrator has identified five claimants for whom, due to
26 administrative, clerical intake errors, there was an initial recommendation of non-payment of
27 their eligible claims. Supplemental Declaration of James Page, Esq. Regarding Motion for
28 Order Authorizing Distribution of Settlement Funds, filed concurrently herewith (“Supp. Page
Decl.”), ¶¶ 24–27 & Exs. AA, DD & EE. The value of these claims is approximately \$17,500
which Co-Lead Counsel recommend paying at the same time as the other approved claimants
from the \$250,000 reserve set aside for such issues. Co-Lead Counsel submit herewith an
Amended Proposed Order which includes recommended payments to these claimants.

1 Sprint's claim accordingly, Plaintiffs' Motion to Distribute should be granted, and Sprint's
2 Cross-Motion should be denied.

3 Now, Sprint has offered an explanation for its Kyocera purchases that is inconsistent
4 with the data Sprint submitted in support of its claim. Sprint asserted for the first time only
5 weeks ago that the business records it submitted had been altered after-the-fact by a Sprint
6 employee to change the recorded seller name from SANYO to Kyocera, and Sprint faults the
7 Settlement Administrator for having lacked the clairvoyance to intuit this occurrence. Sprint's
8 submissions to support the SANYO portion of its claim are unacceptable, just as they would
9 have been unacceptable a year ago during the Settlement Administrator's audit, and Sprint's
10 new explanations are not credible.

11 **II. STATEMENT**

12 On March 2, 2020, Plaintiffs filed the Distribution Motion, seeking the distribution of
13 more than \$91.5 million dollars in settlement proceeds to class members. Since that date,
14 Plaintiffs' counsel and Settlement Administrator have fielded and answered class members'
15 questions regarding the proposed distribution. Among the top 75 "high-value" claimants, only
16 Sprint objects to and opposes the Distribution Motion. Supp. Page Decl. ¶¶ 2, 23.

17 In March 2018, Kent Recovery Services ("KRS" or "Kent"), for the benefit of Sprint,
18 filed a Proof of Claim form that listed cell phone purchases from LG, Samsung, and SANYO.
19 Declaration of Patrick D. Jermyn in Support of Opposition to Direct Purchaser Plaintiffs'
20 Motion for Order Authorizing Distribution (ECF No. 2597-1) ("Jermyn Decl." or "Jermyn
21 Declaration"), Ex. A (ECF No. 2597-2) at 3, 4; Supp. Page Decl. ¶ 2. Kent also submitted a
22 data spreadsheet entitled "Kent Analysis – Sprint Communications – Lithium (Final)" ("Kent
23 Spreadsheet"). Supp. Page Decl. ¶¶ 3–5 & Ex. 1.

24 The Proof of Claim form provides that claimants "must keep copies of your purchase
25 order(s), invoice(s), or other documentation of your purchase(s) in case verification of your
26 claim is necessary" and requires that the claimant declare under penalty of perjury that
27 "information provided in this Proof of Claim form is accurate and complete" and the claimant
28 has "documentation to support your claim and agree to provide additional information to Class

1 Counsel or the Settlement Administrator to support your claim if necessary.” Jermyn Decl.
2 Ex. A (ECF No. 2597-2) at 5, 8.

3 On March 8, 2019, the Settlement Administrator sent Kent a letter requesting detailed
4 purchase data to fully support Sprint’s claimed amounts. Jermyn Decl. Ex. B (ECF
5 No. 2597-3); Supp. Page Decl. ¶ 6. The relevant portion of this letter is set forth immediately
6 below.

7 We have received your claim. Please provide detailed purchase data to fully support your total claimed amount(s) for
8 benefit of Sprint Communications Inc. That purchase data should clearly indicate the applicable defendant(s), dates of
purchase, and purchase types consistent with your total claimed amount(s).

9 If you extrapolated your total claimed amount(s), please provide any data used for that extrapolation, along with an
10 affidavit explaining your extrapolation methodology, and any other relevant information explaining how you arrived at
your final claim.

11 **Your response must be postmarked no later than March 29, 2019.**

12 **PLEASE NOTE THAT FAILURE TO SUFFICIENTLY RESPOND TO THIS REQUEST WILL RESULT IN
REDUCTION OR DENIAL OF YOUR CLAIM.**

13 The *first* specific request in this letter is for “purchase data [that] should clearly indicate
14 the applicable defendant(s).”² The letter gave notice that failure to sufficiently respond would
15 result in reduction or denial of the claim. The deadline for a response was March 29, 2019.

16 Kent responded by submitting the affidavit of Michael P. Dailey (“Dailey”), Vice
17 President of Device Protection for Sprint, on March 22, 2019. Jermyn Decl. Ex. C (ECF No.
18 2597-4). Kent also resubmitted the Kent Spreadsheet. Supp. Page Decl. ¶ 7; *see also id.* ¶¶ 8–
19 9. The Kent Spreadsheet, referenced repeatedly in Sprint’s Cross-Motion³ but not included
20 therewith, is a spreadsheet with four tabs, one of which contains “Original Client Data,” the
21 remainder of which contains Kent’s “analysis.”⁴ Supp. Page Decl. ¶¶ 3–5 & Ex. 1 (excerpt
22 from the Original Client Data). Neither Sprint nor Kent have provided actual receipts or
23 invoices substantiating their SANYO purchases. *Id.* ¶ 15

24
25 ² Curiously, Sprint characterizes this letter as a request for “specifically, an explanation of
26 the methodology used to extrapolate some of the purchases identified in the claim.” X-Mot. at
2; Jermyn Decl. ¶ 3.

27 ³ X-Mot. at 2, 3, 4; Jermyn Decl. ¶¶ 2, 7, 8, 9, 10.

28 ⁴ According to its website, Kent “provides settlement fund recovery services to businesses of
all sizes in class action litigation.” Kent Recovery Services, <https://kentrecoveryservices.com/>
(last visited Apr. 16, 2020).

1 The Original Client Data, provided pursuant to the Settlement Administrator’s audit,
2 listed purchases of telephones from Samsung, LG, and Kyocera. Supp. Page Decl. ¶¶ 10, 15.
3 Sprint’s Proof of Claim form, however, identified purchases of telephones from Samsung, LG,
4 and SANYO, in corresponding amounts. *Id.* ¶ 2. In other words, Sprint’s “Original Client
5 Data” business records showed purchases from Kyocera that apparently Kent, without
6 explanation, had relabeled as purchases from SANYO. The Settlement Administrator’s audit
7 of Sprint’s claim detected this discrepancy. *Id.* ¶ 10.

8 Kent was aware that it had the opportunity to clarify any aspect of its submission.
9 Indeed, a narrative portion of the Kent Spreadsheet and the Dailey affidavit both described
10 Kent’s extrapolation method used to calculate purchase amounts for years for which there was
11 no available data. Supp. Page Decl. ¶¶ 11, 13; Jermyn Decl. Ex. C (ECF No. 2597-4). The
12 supporting material submitted by Kent, however, failed to explain why the purchases attributed
13 to Kyocera in the Original Client Data should actually be attributed to SANYO, or provided
14 any reason to disregard or doubt the Original Client Data. Supp. Page Decl. ¶¶ 10–11.

15 In July 2019, at the Settlement Administrator’s request, Co-Lead Counsel investigated
16 and searched for any potential relationship between Kyocera and SANYO that could justify
17 considering Sprint’s purchases from Kyocera, a non-defendant, as qualifying purchases. Supp.
18 Page Decl. ¶ 12; Declaration of Carl N. Hammarskjold In Support of Motion For Order
19 Authorizing Distribution of Settlement Funds and In Opposition To Sprint Communications,
20 Inc.’s Cross-Motion, filed concurrently herewith (“Hammarskjold Decl.”) ¶¶ 2–12. According
21 to public disclosures, including filings with the U.S. Securities and Exchange Commission
22 (“SEC”), Kyocera Corporation acquired defendant SANYO Electric Co., Ltd.’s mobile-phone
23 related business on April 1, 2008. Hammarskjold Decl. Exs. A–C. This transaction did not
24 make Kyocera a division, subsidiary, or affiliate of SANYO, which would have been necessary
25 for purchases from Kyocera to be eligible, as explained in the Proof of Claim form. Jermyn
26 Decl. Ex. A (ECF No. 2597-2) at 3 n.6, 7–8. Accordingly, Co-Lead Counsel found no basis
27 upon which to overturn the Settlement Administrator’s recommendation that Sprint’s purchases
28

1 from Kyocera should be deemed ineligible purchases from a non-defendant. Hammarskjold
2 Decl. ¶ 13.

3 In March 2020, Kent responded to the Settlement Administrator’s determination letter
4 and asked for reconsideration of the claim reduction. Kent made the same assertions and
5 arguments that are in the Cross-Motion. For the first time, Sprint asserted (1) “all the Sanyo
6 receipts in the database were changed from Sanyo to Kyocera” (Jermyn Decl. Ex. E (ECF
7 No. 2597-6) ¶ 4), which was said to account for the references to Kyocera instead of SANYO
8 in the Original Client Data; and (2) between April 1, 2008 and May 31, 2011, Sprint
9 “purchased mobile phones directly from the defendants in this case” because after Kyocera
10 acquired SANYO’s phone business in April 2008, Sprint “purchased ... telephones from the
11 new entity, Kyocera Sanyo Telecom” (Jermyn Decl. Ex. E (ECF No. 2597-6) ¶¶ 2, 3).

12 Co-Lead Counsel and the Settlement Administrator reviewed the new information
13 provided by Kent. Hammarskjold Decl. ¶ 14. As discussed in greater detail below, the
14 Settlement Administrator affirms its recommendation that it should rely on the business records
15 collected and submitted by Sprint. Co-Lead Counsel also determined, based on SEC filings
16 and other filings, that Kyocera Sanyo Telecom could not be considered a division, subsidiary,
17 or affiliate of SANYO. Hammarskjold Decl. ¶¶ 15–17 & Exs. C–D.

18 Co-Lead Counsel therefore promptly informed Kent that they could not find any basis
19 to overturn the Settlement Administrator’s original recommendation to disqualify Sprint’s
20 purchases from Kyocera and thereby reduce its claim. Declaration of Joseph J. Tabacco, Jr. In
21 Support of Motion For Order Authorizing Distribution of Settlement Funds and In Opposition
22 To Sprint Communications, Inc.’s Cross-Motion, filed concurrently herewith (“Tabacco
23 Decl.”) ¶¶ 3, 5. It should be noted that, contrary to Mr. Jermyn’s account, Co-Lead Counsel
24 absolutely did not “acknowledge[] the error in disallowing the claims.” *Id.* at ¶¶ 4–7; *see*
25 Jermyn Decl. ¶ 11.

1 **III. ARGUMENT**

2 **A. Jurisdiction and Legal Standard**

3 When the Court granted final approval of the class action settlements in this case, it
4 retained jurisdiction over enforcement and administration of the settlement agreements and
5 distribution to class members. *E.g.*, Order Granting Final Approval of Class Action Settlement
6 with Sony Defendants, ECF No. 1438, ¶ 13. By submitting a Proof of Claim form, Sprint
7 agreed to submit to the jurisdiction of this Court for purposes of resolving any issues related to
8 or arising from its claim. Jermyn Decl. Ex. A (ECF No. 2597-2), at 5 (Part II, ¶ 6).

9 Courts are deferential to the judgment of settlement administrators. Mot. at 12 (citing
10 *United States v. Int'l Bhd. of Teamsters, Chauffeurs, Warehousemen & Helpers of Am., AFL-*
11 *CIO*, 905 F.2d 610, 616 (2nd Cir. 1990) (“Under the circumstances of this case, we have no
12 doubt that the Administrator’s decisions are entitled to great deference.”)).⁵ A district court
13 should defer to a Settlement Administrator who has “direct and extensive knowledge” of a
14 case, such as that which comes from administering the funds for several years. Deference to
15 the Settlement Administrator’s decisions on claims to the settlement funds is accorded to
16 recommendations as to “factual matters,” while a “legal conclusion as to the proper
17 construction of the settlement agreements is owed no deference.” *In re Int'l Air Transp.*
18 *Surcharge Antitrust Litig.*, No. M 06-01793 CRB, 2011 WL 6337625, at *2 (N.D. Cal. Dec. 19,
19 2011) (Breyer, J.), *aff'd*, 577 F. App’x 711 (9th Cir. 2014); *Four Seasons Tours & Travel, Inc.*
20 *v. Glancy Binkow & Goldberg L.L.P.*, No. CV 15-07105 SJO (AGRx), 2015 WL 13284509, at
21 *3 (C.D. Cal. Nov. 6, 2015). Here, deference is warranted to the Settlement Administrator’s
22 conclusion that Sprint has failed to demonstrate that the disputed purchases were from SANYO
23 as opposed to non-defendant Kyocera.

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25
26 ⁵ Sprint dismisses *Teamsters* as “inapposite” (X-Mot. at 6:1–3), but that decision explicitly
27 states that the “scope of appellate review of decision of administrator appointed pursuant to
28 settlement agreement [is] similar to deferential standard applied to arbitrator’s decisions,” 905
F.2d at 616 (citing *Foreman v. Wood, Wire & Metal Lathers Int'l Union, Local No. 46*, 557
F.2d 988, 992 (2d Cir. 1977)), and that “[t]he district court appropriately accorded great
deference to the Administrator in upholding his decisions.” *Id.* at 616–17.

1 Sprint erroneously asserts that the Court should afford “no deference” to the Settlement
2 Administrator’s recommended treatment of Sprint’s claim. X-Mot. at 5:26–27. Sprint cites no
3 authority to support the proposition that a district court should not afford any deference to a
4 well-reasoned decision by the Court-approved Settlement Administrator. Sprint cites *Fronza v.*
5 *Staffmark Holdings, Inc.*, No. 15-cv-02315-MEJ, 2018 WL 2463101, at *2 (N.D. Cal. June 1,
6 2018) and *Hughes v. Microsoft Corp.*, No. C93-0178C, 2001 WL 34089697, at *9 (W.D.
7 Wash. Mar. 26, 2001) (X-Mot. at 6:12–20), but neither decision addresses the applicable
8 standard of review for disputed determinations by a settlement administrator.

9 Courts afford such deference for good reasons. Experienced claims administrators, like
10 the Settlement Administrator here, are especially well-equipped to review claims in complex
11 matters and have teams of professionals trained to comb through extensive volumes of claims
12 and supporting data and to detect fraud and irregularities. *See* Declaration of James Page, Esq.
13 in Support of Motion for Order Authorizing Distribution of Settlement Funds (ECF No.
14 2584-1) (“Page Decl.”) at ¶¶ 10–23. Sprint’s proposed standard of review—which would
15 potentially require the Court to review every disputed claim in detail and analyze copious
16 amounts of supporting documentation—is untenable in a class action like this where nearly
17 10,000 claim forms were submitted. *Id.* at ¶ 10.

18 **B. The Settlement Administrator Correctly Reduced Sprint’s Claim Payment**
19 **by Disallowing Purchases that Sprint’s Business Records Showed Were Not**
20 **Made from a Defendant.**

21 The Original Client Data—Sprint’s own business records—showed purchases of
22 telephones from two defendants, Samsung and LG, and a non-defendant, Kyocera, but no
23 purchases from defendant SANYO. Supp. Page Decl. ¶¶ 10, 15 & Ex. 1. The Settlement
24 Administrator properly relied on Sprint’s business records and decided to approve only claims
25 based on Sprint’s Samsung and LG purchases. *Id.* ¶¶ 14, 15.

26 To be eligible to participate in the Direct Purchaser Plaintiffs’ settlement funds, a
27 claimant must establish, among other things, that it purchased directly from a Defendant or a
28 Defendant’s division, subsidiary, or affiliate. This is the *sine qua non* of a direct purchaser
action that asserts federal antitrust claims. Whether a purchaser is a direct purchaser, or is

1 entitled to participate in a direct purchaser settlement, is a question that is fraught with legal
2 and factual complications, as the history of this litigation attests. *In re Lithium Ion Batteries*
3 *Antitrust Litig.*, No. 13-MD-2420 YGR, 2014 WL 309192, at *7–8 (N.D. Cal. Jan. 21, 2014)
4 (dismissing DPP complaint for inadequately alleging purchases from entities owned or
5 controlled by defendants); *In re Lithium Ion Batteries Antitrust Litig.*, No. 13-MD-2420 YGR,
6 2014 WL 4955377, at *27 (N.D. Cal. Oct. 2, 2014) (sustaining amended DPP complaint that
7 pled additional details regarding direct purchases).

8 The Settlement Administrator’s explicit request for documents or data to substantiate
9 qualifying direct purchases from Defendants, and its requirement that direct purchases be
10 substantiated by a claimant’s own business records to be deemed eligible, are reasonable,
11 especially against this backdrop. Here, however, Sprint’s own business records listed no
12 purchases from SANYO.

13 Now, Sprint claims the business records they submitted were inaccurate because they
14 were altered after-the-fact, and the Settlement Administrator should accept the March 24, 2020
15 Declaration of Russell Anderson (“Anderson”) (Jermyn Decl. Ex. E (ECF No. 2597-6))
16 (“Anderson Declaration”), Manager of Handset Inventory at Sprint, in their stead.

17 Sprint and Kent’s explanation for the inaccurate business records—a Sprint employee
18 altered contemporary company records to retroactively identify pre-April 2008 purchases to be
19 from Kyocera when supposedly they were originally recorded as being made from SANYO
20 (Jermyn Decl. Ex. E (ECF No. 2597-6) ¶ 4)—is not one that, in the professional judgment of
21 the Settlement Administrator, ought to be accepted (Supp. Page Decl. ¶ 20).⁶ Indeed, it is one
22 of the responsibilities of the Settlement Administrator to screen out invalid, unsubstantiated
23 claims that should not be paid from settlement funds to be apportioned among all claimants
24 with valid, supported claims. *Id.* ¶ 19.

25 The Anderson Declaration is also deficient. In the first place, it is incompetent
26 evidence. Anderson’s statement that “Sprint purchased Sanyo mobile phones directly from
27

28 ⁶ Kyocera sold telephones throughout the Class Period, including the period before it
acquired SANYO’s phone business. *See* Hammarskjold Decl. ¶ 18 & Ex. E.

1 Sanyo” (Jermyn Decl. Ex. E (ECF No. 2597-6) ¶ 3) is a lay opinion untethered to any proffered
2 perception by the witness. Fed. R. Evid. 701. The testimony about a potential corporate
3 relationship between Kyocera Sanyo Telecom and SANYO (Jermyn Decl. Ex. E (ECF
4 No. 2597-6) ¶ 3) likewise lacks any foundation in personal knowledge or other grounds for
5 perception. Fed. R. Evid. 602. Second, the Anderson Declaration fails to provide any
6 substitute business records such as invoices or purchase orders to support his unsubstantiated
7 claim.

8 In fact, it was reasonable for the Settlement Administrator to conclude that Sprint had
9 not purchased phones directly from SANYO after April 1, 2008, when Kyocera acquired
10 SANYO’s phone business. Contrary to Sprint’s unsupported assertion, this corporate
11 transaction was not a “merger” that left a “new combined entity.” X-Mot. 3:28, 5:5. Rather, as
12 the companies’ SEC filings explain, SANYO spun off its telephone business which Kyocera
13 then acquired. Hammarskjold Decl. Exs. A–C.

14 The entity now identified as Sprint’s vendor, Kyocera Sanyo Telecom, was a subsidiary
15 of Kyocera International, Inc. and not a SANYO company. Hammarskjold Decl. Exs. C–D.
16 Moreover, Kyocera Sanyo Telecom, Inc. actually became Kyocera Communications, Inc. on
17 April 1, 2009. *Id.*, Ex. D at 2. Sprint’s declarant’s assertion that Sprint purchased from
18 Kyocera Sanyo Telecom all the way through May 2011 (Jermyn Decl. Ex. E (ECF No. 2597-6)
19 ¶ 3) is therefore contradicted by Kyocera’s public company filings.

20 Sprint’s declarants’ assertions that Sprint purchased SANYO phones directly from
21 SANYO after April 2008 (Jermyn Decl. Exs. C (ECF No. 2597-4) ¶ 3 & E (ECF No. 2597-6)
22 ¶ 3) are contradicted by other documentary evidence as well. For example, Sprint’s own user
23 guide to the Vero telephone acknowledges that Kyocera, not SANYO, was the manufacturer of
24 mobile phones it purchased, and that Kyocera used the SANYO name under license.
25 Hammarskjold Decl. ¶ 19 & Ex. F. The same phones are reflected in the Original Client Data
26
27
28

1 documenting Sprint's purchases:

Doc Date	Item Code	Vendor	Vendor Description	Year
05/23/11	SCP3820KIT	Kyocera	Vero - Black	2011
05/25/11	SCP3820KIT	Kyocera	Vero - Black	2011
05/25/11	SCP3820KIT	Kyocera	Vero - Black	2011
05/25/11	SCP3820KIT	Kyocera	Vero - Black	2011
05/23/11	SCP3820KIT	Kyocera	Vero - Black	2011
05/02/11	SCP3820KIT	Kyocera	Vero - Black	2011
05/25/11	SCP3820KIT	Kyocera	Vero - Black	2011
05/25/11	SCP3820BLU	Kyocera	Vero - Blue	2011
05/25/11	SCP3820BLU	Kyocera	Vero - Blue	2011

7 Supp. Page Decl. Ex. 1.

8 **C. Nothing in Sprint's Business Records Triggered the Need for Further**
9 **Outreach**

10 Sprint argues that if the Settlement Administrator had only informed Kent that the
11 Original Client Data listed purchases from Kyocera, then Sprint could have cured the
12 submission months ago. But the Settlement Administrator could not have known that the
13 business records submitted by Sprint were unreliable. There was no basis for the Settlement
14 Administrator to believe that Sprint would have submitted business records that had been
15 altered by one of its own managers. The expectation is that Sprint's employees would keep
16 accurate business records.⁷ Sprint's declarant Anderson stated that SANYO purchases were
17 changed to and identified as Kyocera in "my own personal database only" and "because of
18 internal data purposes only" (Jermyn Decl. Ex. E (ECF No. 2597-6) ¶ 4), but when those
19 records were shared with Kent and submitted to the Settlement Administrator they ceased to be
20 "personal" and "internal."⁸ Indeed, the Settlement Administrator relied on them as a primary
21 source for reviewing and verifying Sprint's claimed purchases. Supp. Page Decl. 14–18.

22 The Settlement Administrator had no cause to conduct further outreach. The issue with
23 the Sprint Claim was not a lack of information, but that the Original Client Data
24 unambiguously indicated that the purchases were from Kyocera and thus ineligible.

25 ⁷ See Sprint Code of Conduct, at 16–17,
[https://s21.q4cdn.com/487940486/files/doc_downloads/governance_documents/2018/Sprint-Code-of-Conduct-\(External\)-Effective-May-25-2018.pdf](https://s21.q4cdn.com/487940486/files/doc_downloads/governance_documents/2018/Sprint-Code-of-Conduct-(External)-Effective-May-25-2018.pdf) (last visited Apr 16, 2020).

26 ⁸ Sprint's witness Anderson testifies that he altered company records to show mobile phone
27 purchases from Kyocera instead of SANYO for his own, personal "data mining purposes."
28 ECF No. 2597-6 ¶ 4. His declaration does not explain why a corporation would wish to "mine"
data that was altered after-the-fact. Business records, to be reliable, must be accurate records,
whether for "data mining purposes" or any other legitimate corporate uses.

1 Moreover, any outreach regarding the legal significance of Kyocera’s acquisition of
2 SANYO’s phone business would have been futile. Sprint was a stranger to that transaction,
3 and all the relevant information was already in the public filings made by SANYO and
4 Kyocera.

5 Finally, further outreach of the kind Sprint asserts it should have been afforded would
6 have been against the best interest of the settlement class.⁹ While the Settlement Administrator
7 is tasked with assisting class members to ensure that valid purchases are eligible for
8 participation in the settlement funds, the goal of detection, prevention, and elimination of
9 unmeritorious claims is undermined when claimants are given repeated opportunities to correct
10 facially deficient claims. Supp. Page Decl. ¶ 19. It would have been contrary to sound claims
11 administration to have invited Sprint to retract its submission and replace it with one more apt
12 to be successful. *Id.*

13 **IV. CONCLUSION**

14 Distribution of the settlement funds, as set forth in **Attachment 2** to the Amended
15 Proposed Order, submitted herewith, will give effect to the approved *pro rata* Plan of
16 Allocation, compensating class members based on the extent of their injuries. *See In re Citric*
17 *Acid Antitrust Litig.*, 145 F. Supp. 2d 1152, 1154 (N.D. Cal. 2001). As explained in detail in
18 the moving papers, the Settlement Administrator undertook a diligent review of all claims prior
19 to reaching conclusions about each class member’s number of eligible cylindrical units and
20 their recommended payment amounts. Page Decl. (ECF No. 2584-1) ¶¶ 12–23. Plaintiffs’
21 proposed distribution is fair, adequate, and reasonable, and gives no preferential treatment to
22 any individual claimant. Mot. 12–15.

23 Sprint’s proposed claim payment was reduced for the reasons above. That decision was
24 correct when it was made, and Sprint has offered no good reason to reverse it. Therefore, the
25

26 ⁹ Sprint erroneously suggests that the Settlement Administrator, by reducing Sprint’s
27 proposed claim payment, is not placing Sprint on “equal footing” with other class members.
28 X-Mot. at 2, 7. But Sprint is not unique in having its claim reduced. Other claimants have also
had their proposed claim payments reduced. In fact, the Settlement Administrator’s claims
review reduced the number of eligible cylindrical units by more than half. Mot. at 6–10.

1 Motion to Distribute should be granted, and the Court should enter the Amended Proposed
2 Order, submitted herewith.

3
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Respectfully submitted,

5
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