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Sprint in \$19 million settlement on cellphone charges

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June 19 (Reuters) - [Sprint Nextel Corp](#) has entered into a \$19 million settlement to resolve a lawsuit by U.S. customers who accused the money-losing mobile service provider of improperly charging them for using their cell phones to send pictures.

The settlement resolves claims by customers nationwide with unlimited "Everything Messaging" plans who accused Sprint of failing to tell them about the charges, or how to properly use their phones and avoid unnecessary charges.

According to papers filed on Monday with the U.S. District Court in Newark, New Jersey, Sprint denied wrongdoing, but agreed to settle to avoid the burden and expense of litigation.

Sprint was not immediately available on Tuesday for further comment.

The accord covers customers from January 2008 to June 2012, and gives customers a choice between free service, fee waivers, credit adjustments, gift cards and cash, court papers show.

Sprint would pay \$3 million to fund cash payments and administrative costs, and lawyers for the customers would receive up to \$3.5 million, the papers show.

The settlement requires court approval. A hearing to consider preliminary approval is scheduled for July 16 before U.S. District Judge Susan Wigenton.

Sprint is the third-largest U.S. mobile service provider.

The Overland Park, Kansas-based company lost \$863 million in the first quarter, twice as much as a year earlier, as its net subscriber base shrank while rivals Verizon Wireless and AT&T Inc added subscribers.

The case is *Eoff et al v. Sprint Nextel Corp et al*, U.S. District Court, District of New Jersey, No. 10-01190.

For Eoff: Julie Miller of Complex Litigation Group.

For Sprint: Joseph Boyle of Kelley Drye & Warren.

(Reporting By Jonathan Stempel; Additional reporting by Sinead Carew and Nate Raymond)

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