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8 **UNITED STATES DISTRICT COURT**
9 **WESTERN DISTRICT OF WASHINGTON**
10 **AT SEATTLE**

11 T-Mobile USA, Inc.,

12 Petitioner,

13 v.

14 Verity Wireless, Inc.,

15 Respondent.

No. 2:21-cv-733

**T-MOBILE, USA, INC.'S PETITION TO
CONFIRM ARBITRATION AWARD**

**NOTE ON MOTION CALENDAR:
JUNE 18, 2021**

16 Pursuant to 9 U.S.C. §§ 9 and 13, T-Mobile USA, Inc. (“T-Mobile”) petitions this
17 honorable Court to confirm interim relief in the form of the preliminary injunction (“Injunction”)
18 granted to T-Mobile by The Hon. Faith Ireland (Ret.) (the “Emergency Arbitrator”) in the matter
19 styled *T-Mobile USA, Inc. v. Verity Wireless, Inc.*, JAMS Arbitration Reference No. 1160024282
20 (the “Arbitration”).

21 **I. PARTIES**

22 1. Petitioner T-Mobile USA, Inc. is a Delaware corporation with its principal place of
23 business in Bellevue, Washington. T-Mobile is one of the three largest wireless communications
24 carriers operating in the United States. In April, 2020, T-Mobile completed its merger with Sprint
25 Corporation and its subsidiaries.

26 2. Respondent Verity Wireless, Inc. is a Colorado corporation. On information and

1 belief, Verity's principal place of business is located in Buena Park, California.

2 3. Verity also conducts business in Washington, and has designated both its principal
3 office address and registered agent's address at 2115 201st Pl. SE, Unit B5, Bothell, WA 98012-
4 8562.

5 4. This Court has subject matter jurisdiction to confirm the Injunction pursuant to the
6 Federal Arbitration Act, 9 U.S.C. §§ 1-15, because the parties entered into Agreements involving
7 interstate commerce. The Court has personal jurisdiction over the parties because, among other
8 reasons, they have stipulated to the personal jurisdiction of this Court in the Agreements.

9 5. Venue is proper because the Parties have stipulated to venue in this Court in the
10 Agreements, and further because Verity is subject to personal jurisdiction in this district, as it
11 conducts business here. *See* 28 U.S.C. § 1391(b)(1), (c)(2), and (d).

12 6. Verity may be served notice of this Petition through its counsel at the address
13 indicated in the certificate of service of this Petition because: (i) the Emergency Arbitrator entered
14 the Injunction in Seattle, Washington and Verity is a resident of this district; and/or (ii) JAMS
15 served the Injunction on the parties from Los Angeles, California, and Verity is also a resident of
16 the Central District of California as it conducts business throughout that district. *See* 9 U.S.C. § 9
17 (permitting service of petition to confirm an award on the resident of a district in which the award
18 was made to the extent permitted for service of a motion in that court); W.D. Wa. LCR 5(b)
19 (permitting service consistent with Federal Rules); C.D. Cal. Civ. R. 4.1(d) (similarly permitting
20 service as per Fed. R. Civ. P. 5); Fed. R. Civ. P. 5(b) (specifying service on counsel).

21 II. THE ARBITRATION

22 7. Verity was, in accordance with four Retail Services Agreements with T-Mobile (the
23 "Agreements"), each effective June 1, 2020, an authorized retail dealer for T-Mobile, operating T-
24 Mobile stores in Colorado, Washington, and Northern and Southern California. The Agreements
25 are identical in all material respects. An exemplar of the Agreements is attached hereto as **Exhibit**
26 **1**, exclusive of confidential and proprietary information that is not relevant to the Court's

1 consideration of this petition, per W.D. Wa. LCR 5(g)(1)(B).

2 8. Each Agreement provides that disputes between the parties shall be submitted to
3 JAMS for arbitration, and administered pursuant to JAMS Comprehensive Rules and Procedures
4 (the “Rules”). *See* Agreements, § 16.

5 9. On March 19, 2021, T-Mobile notified Verity that it was terminating the
6 Agreements, citing Verity’s material breaches of the Agreements.

7 10. Although T-Mobile had deferred the effective date of its termination until May 1,
8 2021, Verity abruptly closed its stores on March 31, 2021, and refused T-Mobile’s demands to
9 execute the Transitions Services Agreements that each Agreement requires.

10 11. On April 8, 2021, T-Mobile initiated the Arbitration. A copy of the order
11 appointing the Hon. Faith Ireland as the Emergency Arbitrator is attached hereto as **Exhibit 2**.

12 12. JAMS Rule 2(c) creates Emergency Relief Procedures that permit a party to seek
13 emergency relief by “notify[ing] JAMS and all other Parties in writing of the relief sought and the
14 basis for an award of such relief.” JAMS Rule 2(c)(i).

15 13. T-Mobile first filed a request for Emergency Relief, seeking an order requiring
16 Verity to allow T-Mobile to obtain possession of inventory and other T-Mobile assets in Verity’s
17 closed stores. The parties entered into a Stipulation, attached hereto as **Exhibit 3**, to resolve that
18 issue and it is not at issue in this Petition.

19 14. The Agreements prohibit Verity, notwithstanding any other provision of the
20 Agreements, from competing with T-Mobile for one year following termination, and Section
21 13.1.3 of the Agreements specifically prohibits Verity and its principals from “directly or indirectly
22 sell[ing], assign[ing], or otherwise transfer[ring] any [store] to a wireless service provider (carrier
23 or agent/dealer) in the business of offering, providing, marketing, procuring, or referring customers
24 in a[] manner that competes with [T-Mobile] or its dealers within the Area” described in each
25 Agreement.

26 15. The Agreements provide that a breach of Section 13.1 “will result in irreparable

1 harm to T-Mobile, and monetary damages would be an inadequate remedy” for such a breach, and
2 that “T-Mobile may seek temporary, preliminary and permanent injunctive relief with respect to
3 any such breach by provider.” Agreements, § 13.1.4.

4 16. After Verity disregarded several requests by T-Mobile requiring Verity to transfer
5 stores to T-Mobile-approved dealers or to T-Mobile (as required by separate provisions of the
6 Agreements), and after learning facts that suggested that Verity’s principals and insiders were
7 intending to convert the stores into AT&T stores that compete with T-Mobile in violation of the
8 Agreements, T-Mobile filed a Second Request for Emergency Relief to enjoin Verity from
9 transferring T-Mobile stores except to T-Mobile or to T-Mobile-approved dealers, and to prohibit
10 Verity from transferring T-Mobile stores to T-Mobile competitors. *See* Agreements, § 13.1.3.

11 17. Verity responded to the Second Emergency Request on May 4, 2021.

12 18. The Arbitrator set a reply deadline and a hearing on the Second Request for
13 Emergency Relief on May 5, 2021.

14 19. The Arbitrator heard oral arguments of the Parties on May 5, 2021.

15 20. The Arbitrator invited the Parties to supplement or amend their pleadings by May
16 7, 2021 at 4:00 PM PT. On that date, T-Mobile submitted a statement of Additional and Amended
17 Claims, and Verity submitted a supplemental response in opposition to the Second Request for
18 Emergency Relief. After requesting and receiving permission from the Arbitrator, T-Mobile
19 submitted a reply to Verity’s supplemental response, on May 11, 2021.

20 21. On May 13, 2021, the Arbitrator entered the Injunction, a copy of which is attached
21 hereto as **Exhibit 4**.

22 22. The Court should grant this Petition and confirm the Injunction as a judgment of
23 this Court, as required by the Federal Arbitration Act, because none of the limited statutory
24 grounds for vacating the Injunction exist here. *See* 9 U.S.C. §§ 9-10; *Aspic Eng’g & Constr. Co.*
25 *v. ECC Centcom Constructors LLC*, 913 F.3d 1162, 1166 (9th Cir. 2019); *Pac. Reinsurance Mgmt.*
26 *Corp. v. Ohio Reinsurance Corp.*, 935 F.2d 1019, 1023-26 (9th Cir. 1991).

PRAYER FOR RELIEF

WHEREFORE, the Petitioner prays that this honorable Court sign an order confirming the interim relief issued on May 13, 2021 by Hon. Faith Ireland (Ret.) as an enforceable Order of this Court.

DATED this 3rd day of June, 2021.

POLSINELLI PC

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