

## [Area cities to share in \\$55 million settlement with T-Mobile](#)

BY MARGARET GILLERMAN • mgillerman@post-dispatch.com > 314-725-6758 | Posted: Wednesday, July 7, 2010 12:00 am | (3) Comments

St. Louis-area municipalities are among more than 200 cities statewide that are expected to share in a \$55 million settlement of a class-action suit against T-Mobile USA Inc. for back taxes, pending final approval by a judge.

St. Louis County Circuit Court Judge Bernhardt Drumm gave preliminary approval to the settlement June 28. He will hold a hearing on Oct. 19 to determine whether final approval should be granted.

This is the last of a series of suits that were filed since 2001 against telephone wireless companies and AT&T for landline service for back taxes. John F. Mulligan Jr., one of the attorneys in all the suits and the University City city attorney, estimated payments to local governments statewide will amount to \$400 million to \$450 million overall.

Among the estimated gains by the cities in the T-Mobile suit are: \$575,000 for Chesterfield; \$550,000 for University City; \$585,000 for Florissant, \$435,000 for Maryland Heights, \$300,000 for Creve Coeur; and \$5.8 million for St. Louis.

St. Louis County, which pursued litigation separately from the other plaintiffs, will receive \$3.6 million from T-Mobile. The money should be released by mid-January.

In the AT&T settlement, the plaintiff cities agreed not to contest AT&T's right to pass on the settlement costs to its customers. That part of the settlement has prompted a consumer class action suit now pending in Jackson County Circuit Court.

In the T-Mobile settlement, the company is passing through to customers about \$42 million in back taxes, Mulligan said.

Unlike the AT&T landline settlement, local governments will have the right to challenge pass-throughs related to the additional remaining \$13.6 million T-Mobile will pay, Mulligan said.

Of the \$55 million that will be awarded in the T-Mobile suit, \$3.09 million will be in legal fees that will be split among the Korein-Tillery law firm and lawyers Mulligan, Howard Paperner and Jill Dorsey.

The plaintiffs contended that T-Mobile and other wireless carriers did not pay municipal telephone taxes on cell phone service. T-Mobile had contended that the ordinances did not apply to cell phone service.