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Received & Inspected

NOV 20 2012

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November 19, 2012

**VIA OVERNIGHT DELIVERY**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street  
Washington, D.C. 20554

Re: Free Mobile, Inc.  
Compliance Plan  
WC Docket No. 09-197 & WC Docket No. 11-42

Dear Ms. Dortch:

Pursuant to the Federal Communications Commission Order *In the Matter of Lifeline and Link Up Reform and Modernization* released February 6, 2012, attached please find Free Mobile, Inc.'s ("Free Mobile" or the "Company") Second Amended Compliance Plan, which incorporates the following updates:

1. Additional detail on SIM cards vs. handsets (page 8)
2. Clarification on treatment of USAC's one-per-household template during phone enrollment (page 10)
3. Clarification on handset activation policy after enrollment (pages 10,11,12 and 14)
4. Additional detail on in-person enrollment, especially at retail locations (pages 11-14)
5. Information regarding review of submitted application forms prior to filing Form 497 (pages 14-15)
6. Information on Lifeline Training (pages 13-14 ) and Training Manual (Exhibit G)
7. Clarification that the Company's use of a third party for ID verification is an additional, voluntary measure to prevent waste, fraud, and abuse (page 19)
8. Clarification that the Company's wholesale agreements are direct with the underlying carriers (page 26)
9. Amended Lifeline Certification Form, with Eligibility Worksheet added (Exhibit A)
10. Clarification that Exhibit C (Sample Ad) is 2 pages illustrating the outside and inside covers of a brochure
11. Amended Terms and Conditions of Service (Exhibit D )

Confidential treatment is requested for data provided in Exhibit G, pursuant to Section 0.459 of the Commission's rules.<sup>1</sup> The confidential material is clearly marked and is being filed in a separate envelope. The marked information is sensitive company information not available to the public, including competitively sensitive information about the Company's training materials.

As required by Section 0.459(b) of the Commission's rules, Free Mobile provides the following information regarding its request for confidential treatment:

<sup>1</sup> 47 C.F.R. § 0.459.

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1. Confidential treatment is requested for Free Mobile's Training Manual.
2. The Training Manual is contained in Exhibit G of the enclosed Second Amended Compliance Plan.
3. The information regarding Free Mobile's Training Manual is commercially sensitive and is privileged. The information is not generally publicly available.
4. The wireless telecommunications industry is highly competitive.<sup>2</sup> There is competition in the provision of wireless Lifeline service from standard wireless ETCs and the special Lifeline ETCs that have already been designated.
5. The release of this information will cause substantial competitive harm to Free Mobile. Disclosure would give competitors access to privileged information that may affect the actions of those competitors. Competitors could utilize such information to extrapolate sensitive data regarding Free Mobile's training policies.
6. Free Mobile considers this information to be proprietary and confidential and does not distribute such information to any party outside of the company, with the exception of outside counsel.
7. This information is not available to the public and has not been disclosed to any other third party, with the exception of outside counsel.
8. The information should not be released for public inspection, as it contains proprietary company information that is competitively sensitive. At some point, however, this information will become stale. At minimum, the information should be protected for not less than three years.

For the foregoing reasons, Free Mobile respectfully requests that the Commission provide confidential treatment for the identified information.

I have enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope. If you have any questions or if I may provide you with additional information, please do not hesitate to contact me. Thank you for your assistance.

Respectfully submitted,



Lance J.M. Steinhart  
Lance J.M. Steinhart, P.C.  
Attorneys for Free Mobile, Inc.

Attachments

cc: Kevin Haddad

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<sup>2</sup> See generally *Thirteenth Annual CMRS Competition Report*, 24 FCC Rcd 6185 (2009).

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Federal Communications Commission  
Washington, D.C. 20554

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In the Matter of the )  
)  
Telecommunications Carriers Eligible for ) WC Docket No. 09-197  
Universal Service Support )  
) WC Docket No. 11-42  
Lifeline and Link Up Reform and Modernization )  
)  
Free Mobile, Inc. Compliance Plan )

**FREE MOBILE, INC.'S SECOND AMENDED COMPLIANCE PLAN**

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Received & Inspected

NOV 20 2012

TABLE OF CONTENTS

I. INTRODUCTION ..... FCC Mail Room 1

II. BACKGROUND ..... 2

III. FREE MOBILE WILL COMPLY WITH THE REQUIREMENTS SET FORTH  
IN THE ORDER..... 3

A. Access to 911 and E911 Services..... 3

B. E911-Compliant Handsets ..... 3

C. Consumer Eligibility and Enrollment ..... 3

    1. One-Per-Household..... 4

    2. Initial and Annual Certification ..... 6

    3. Annual Re-Certification..... 16

D. Other Reforms to Eliminate Waste, Fraud and Abuse..... 18

    1. National Lifeline Accountability Database..... 20

    2. Subscriber Usage ..... 21

    3. Marketing & Outreach ..... 22

    4. Audits..... 23

E. De-Enrollment..... 23

F. Additional Rule Amendments..... 25

    1. Terms and Conditions of Service..... 25

    2. Reporting Requirements ..... 25

    3. Reimbursement from USAC..... 26

    4. Section 54.202 Certifications..... 26

IV. COMPANY INFORMATION..... 26

A. Names and Identifiers ..... 26

B. Financial and Technical Capability ..... 27

C. Lifeline Offering ..... 28

V. CONCLUSION..... 30

**TABLE OF EXHIBITS**

Received & Inspected

NOV 20 2012

FCC Mail Room

Exhibit

Sample Lifeline Certification Form and Eligibility Worksheet.....A

Enrollment Flow Diagram .....B

Sample Advertisement.....C

Lifeline Terms and Conditions .....D

Key Management Resumes.....E

Proposed Lifeline Rate Plans .....F

Training Manual.....G

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In the Matter of the	)	
	)	
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	)	WC Docket No. 11-42
Lifeline and Link Up Reform and Modernization	)	
	)	
Free Mobile, Inc. Compliance Plan	)	

**FREE MOBILE, INC.'S SECOND AMENDED COMPLIANCE PLAN**

**I. INTRODUCTION**

Free Mobile, Inc. (“Free Mobile” or the “Company”) is a prepaid wireless telecommunications carrier seeking designation as an Eligible Telecommunications Carrier (“ETC”) solely for the purpose of participating in the Lifeline program. Although Section 214(e)(1)(A) of the Act requires an ETC to offer USF-supported services to some extent over its own facilities, the Federal Communications Commission (“FCC” or “Commission”) has forbore from that requirement for carriers that are, or seek to become, Lifeline-only ETCs.<sup>1</sup> Free Mobile will avail itself of the FCC’s conditional grant of forbearance and, by its attorney, hereby files its Second Amended Compliance Plan outlining the measures it will take to implement the conditions of

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<sup>1</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Order*”).

forbearance outlined in the *Order*.<sup>2</sup> For the Commission's convenience, this Second Amended Compliance Plan replaces, in its entirety, the Compliance Plan as originally filed on June 15, 2012 and amended on August 31, 2012. Given the severe economic environment that is forcing many low-income customers to forego wireless service, Free Mobile respectfully requests expeditious approval of this plan so that the Company, upon designation as an ETC, may quickly deploy much-needed Lifeline services to qualified low-income customers.

## II. BACKGROUND

In the *Order*, the Commission granted forbearance from the "own-facilities" requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:<sup>3</sup>

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

(2) the carrier must file, and the Bureau must approve, a compliance plan that: (a) outlines the measures the carrier will take to implement the obligations contained in this Order, including but not limited to the procedures the ETC follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the Fund, materials related to initial and ongoing certifications and sample marketing materials, as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary; and (b) provides a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available.

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<sup>2</sup> Although the Company qualifies for and seeks to avail itself of the Commission's grant of forbearance from the facilities requirement of section 214(e)(1)(A), the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state, particularly for purposes of state universal service funding under state program rules and requirements. The Company will follow the requirements of the Commission's Lifeline rules and this Compliance Plan in all states in which it provides Lifeline service and receives reimbursements from the federal Low-Income fund.

<sup>3</sup> See *Order* at ¶¶ 368, 373 and 379.

### **III. FREE MOBILE WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE ORDER**

Free Mobile will comply with all conditions set forth in the *Order*, the provision of this Compliance Plan, and all laws and regulations governing its provision of Lifeline-supported prepaid wireless service to customers throughout the United States.<sup>4</sup>

#### **A. Access to 911 and E911 Services**

In the *Order*, the Commission requires Free Mobile to provide its Lifeline customers with access to 911 and E911 services, regardless of activation status and availability of minutes.<sup>5</sup> The Commission and consumers are hereby assured that all Free Mobile customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from Free Mobile handsets even if the account associated with the handset has no minutes remaining.

#### **B. E911-Compliant Handsets**

The Commission also conditioned its grant of forbearance determination on Free Mobile providing only E911-compliant handsets to its Lifeline customers.<sup>6</sup> Free Mobile will ensure that all handsets used in connection with the Company's Lifeline service offering are E911-compliant. In the event that an existing Free Mobile customer does not have an E911-compliant handset, the Company will replace it with a 911/E911-compliant handset at no charge to the customer.

#### **C. Consumer Eligibility and Enrollment**

Free Mobile will certify and verify consumer eligibility for Lifeline in accordance with the requirements set forth in the *Order*. In instances where a state agency or third-party

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<sup>4</sup> To the extent that future changes in federal regulations render the commitments herein invalid, the Company reserves the right to modify its operations in accordance with federal regulations in effect at that time.

<sup>5</sup> See *Order* at ¶ 373.

<sup>6</sup> See *id.*

administrator is responsible for the initial determination and annual recertification of consumer eligibility, Free Mobile will rely on the state identification or database.<sup>7</sup> In instances where Free Mobile is responsible for the initial determination and annual recertification of consumer eligibility, the Company will follow the procedures set forth below.

### **1. One-Per-Household**

Free Mobile understands that Lifeline is limited to a single subscription per household, and that the Commission has defined household as “any individual or group of individuals who are living together at the same address as one economic unit.”<sup>8</sup> Upon receiving an application for Lifeline support, Free Mobile will check the National Lifeline Accountability Database (“NLAD”), once in place, to determine whether an individual at the applicant’s residential address is currently receiving Lifeline-supported service. Free Mobile will also search its own internal database of active customers, real-time, pre-sale, to ensure that it does not already provide Lifeline-supported service to someone at that residential address. If Free Mobile determines that an individual at the applicant’s address is currently receiving Lifeline-supported service, Free Mobile will take an additional step to ensure that the applicant and the current subscriber are part of different households. To enable applicants to make this demonstration, Free Mobile will require applicants to complete and submit to the Company USAC’s one-per-household template, which will contain the following: (1) an explanation of the Commission’s one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant’s household and share in the household’s expenses or benefit from the applicant’s income; and (4)

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<sup>7</sup> See Order at ¶ 98.

<sup>8</sup> See Order at ¶ 74.

the penalty for a consumer's failure to make the required one-per-household certification (i.e., de-enrollment).<sup>9</sup> Free Mobile will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

On its certification forms, a draft sample of which is attached,<sup>10</sup> Free Mobile will obtain a consumer's permanent residential address (which cannot be a P.O. Box or General Delivery address), unless they only have a temporary address, and a billing address for the service, if different (which may include a P.O. Box or General Delivery address).<sup>11</sup> Free Mobile will inquire on its certification forms whether or not the applicant's address is a temporary one.<sup>12</sup> If and when the 90-day verification rules become effective, Free Mobile will notify the consumer that if they have a temporary address, the Company will contact the consumer every 90 days, by phone or text, to verify that he or she continues to rely on that address, and that if the consumer fails to respond within 30 days of Free Mobile's attempt to verify the temporary address, he or she will be de-enrolled from the Lifeline program.<sup>13</sup> Also on its certification forms, Free Mobile will explain that if the subscriber moves, they must provide their new address to the Company within 30 days of moving.<sup>14</sup> If the subscriber has moved, Free Mobile will update the NLAD, once in place, with the information within 10 business days of receipt of the information.<sup>15</sup>

As detailed below, Free Mobile's certification form will clearly explain the one-per-household requirement and all consumers must certify that they receive Lifeline support for a

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<sup>9</sup> See Order at ¶ 78.

<sup>10</sup> See Exhibit A. The draft form remains subject to change, but substantially reflects the content of the Company's application.

<sup>11</sup> See Order at ¶ 85.

<sup>12</sup> See Order at ¶ 89.

<sup>13</sup> See *id.* As of the date of filing of this Compliance Plan, this requirement has not been approved pursuant to the Paperwork Reduction Act.

<sup>14</sup> See Order at ¶ 85.

<sup>15</sup> See *id.*

single subscription per household.

## 2. Initial and Annual Certification

Consumers will be signed up in person or directed, via company literature, collateral or advertising, to a toll-free telephone number and to the Company website, which will provide information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. Free Mobile's application form will identify that it is a "Lifeline" application. Free Mobile will provide Lifeline-specific training to all personnel, whether employees, agents or representatives, that interact with actual or prospective consumers with respect to obtaining, changing or terminating Lifeline services.

Free Mobile's initial and annual certification forms will conform to the list of requirements provided in the *Order*, Appendix C and with C.F.R. § 54.410(d), as amended. Free Mobile's Lifeline certification forms, a draft sample of which is attached as Exhibit A, will require each prospective subscriber to provide the following information:

- (i) The subscriber's full name;
- (ii) The subscriber's full residential address;
- (iii) Whether the subscriber's residential address is permanent or temporary;
- (iv) The subscriber's billing address, if different from the subscriber's residential address;
- (v) The subscriber's date of birth;
- (vi) The last four digits of the subscriber's social security number, or the subscriber's Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a social security number;
- (vii) If the subscriber is seeking to qualify for Lifeline under the program-based criteria, as set forth in § 54.409, the name of the qualifying assistance program from which the subscriber, his or her dependents, or his or her household receives benefits; and
- (viii) If the subscriber is seeking to qualify for Lifeline under the income-based criterion, as set forth in § 54.409, the number of individuals in his or her household.

The certification forms will also explain in clear, easily understandable language that:

- (i) Lifeline is a federal benefit;
- (ii) Lifeline service is available for only one line per household;
- (iii) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and

expenses;

- (iv) households are not permitted to receive benefits from multiple providers;
- (v) that violation of the one-per-household requirement would constitute a violation of the Commission's rules and would result in the consumer's de-enrollment from the program, and potentially, prosecution by the United States government; and
- (vi) a Lifeline subscriber may not transfer his or her service to any other individual, including another eligible low-income consumer.

Free Mobile will require all consumers, at sign up and annually thereafter, to certify under penalty of perjury that:

- (i) The subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, provided in § 54.409;
- (ii) The subscriber will notify the carrier within 30 days if for any reason he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the subscriber no longer meets the income-based or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit.
- (iii) If the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands, as defined in 54.400(e);
- (iv) If the subscriber moves to a new address, he or she will provide that new address to the eligible telecommunications carrier within 30 days;
- (v) If the subscriber provided a temporary residential address, he or she will be required to verify his or her temporary residential address every 90 days;
- (vi) The subscriber's household will receive only one Lifeline service and, to the best of his or her knowledge, the subscriber's household is not already receiving a Lifeline service;
- (vii) The information contained in the subscriber's certification form is true and correct to the best of his or her knowledge,
- (viii) The subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and
- (ix) The subscriber acknowledges that the subscriber may be required to re-certify his or her continued eligibility for Lifeline at any time, and the subscriber's failure to re-certify as to his or her continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits pursuant to § 54.405(e)(4).

Applicants will also be required to initial a number of disclosure statements intended to ensure that the applicant understands applicable eligibility requirements. Consumers who do not complete the application process in person must return the signed application and support documentation to the Company by mail, fax, email or other electronic transmission. The Company will accept electronic signatures, including Interactive Voice Response (IVR) recordings, that

meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006.<sup>16</sup>

Free Mobile will initially launch its Lifeline service with enrollment by phone and online, with the intention of adding in person enrollment first at events and finally at retail locations. Each of Free Mobile's anticipated enrollment methods are described in detail below. Free Mobile's proposed Lifeline offering is unique in that it will encourage customers to bring their own GSM-compatible handset and receive a Free Mobile SIM (Subscriber Identity Module) card at no cost or, in the alternative, purchase a discounted handset from Free Mobile.<sup>17</sup> Free Mobile employees, agents or representatives ("personnel") will screen applicants before they begin the enrollment process to determine whether or not they have and intend to use an unlocked GSM handset with a Free Mobile SIM card; personnel will explain that the existing handset cannot be currently under contract with another carrier's service or associated with a negative account balance, and cannot be associated with existing Lifeline-supported service. If the applicant does not already have an unlocked GSM-compatible handset, Company personnel will confirm before beginning the enrollment process that the applicant is willing to purchase a handset in order to receive Free Mobile's Lifeline service. In an effort to avoid customer confusion, Free Mobile will convey on its certification form and in verbal interaction with its Lifeline applicants that a SIM card equates to a phone and subscribers can have only one Lifeline-supported service per household, whether through a SIM card or a phone. Free Mobile will ensure that Company personnel are trained to specifically educate subscribers on this point before and during the enrollment process. Free Mobile will also require an additional attestation on the certification form whereby subscribers must affirm that if they will be using their existing handset with Free Mobile's service, the handset (or SIM card that

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<sup>16</sup> See *Order* at ¶ 168.

<sup>17</sup> See section IV.C and Exhibit B for an understanding of how Free Mobile will determine whether a customer receives a SIM card or must obtain a handset.

was removed from the handset, if applicable) is not currently associated with Lifeline service.

Enrollment Online. Beginning with the initial launch of Free Mobile's Lifeline service, prospective customers will be able to fill out an application form online and sign electronically. Free Mobile will highlight the certifications that are required, for example, by requiring consumers to acknowledge each certification before moving on to the next field.<sup>18</sup> If the customer indicates that their address is a multi-household residence, online interface will require the applicant to complete USAC's one-per-household template as well. If no eligibility database is available, the online interface will advise the applicant that they are required to provide proof of identity and verification of benefits before their Lifeline service can be activated; applicants will be made aware of how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits. The Company will qualify the applicant by accessing necessary databases: Free Mobile will validate the address via a USPS/Melissa Database and simultaneously input the name/address combination into CGM, LLC's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data (see section III.D below), and the Company will verify eligibility using an eligibility database when available. If no eligibility database is available, the application will be placed in a "hold" status until Free Mobile receives copies of the applicant's proof documentation and government-issued ID, at which point Company personnel will review the documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed by personnel in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Once verification of eligibility is complete, Free Mobile will destroy copies of proof

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<sup>18</sup> See *Order* at ¶ 123.

documentation and contact the customer to confirm whether or not the customer can receive a SIM card only or purchase a handset.<sup>19</sup> Free Mobile will then mail the handset, once purchased, or SIM card to the customer. Customers will be directed to call a toll free number when they receive their handset/SIM card in order to activate their service and/or visit an online website, at which point they will be required to enter the last four digits of their social security number. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Enrollment by phone. Beginning with the initial launch of Free Mobile's Lifeline service, the Company will also provide the option for customer to enroll via phone. When a prospective customer calls in, Company personnel will be able to verbally explain the Lifeline program and its eligibility requirements, including required information and disclosures, as well as collect and input electronically the application form information and obtain the applicant's signature via IVR. If the customer indicates on the application form that their address is a multi-household residence, personnel will require the applicant to complete and sign USAC's one-per-household template via IVR as well. The Company will have the information needed to qualify the applicant by accessing necessary databases (USPS/Melissa, duplicates database, eligibility databases). If no eligibility database is available, the application will be placed in a "hold" status until Free Mobile receives copies of the applicant's proof documentation and government-issued ID, at which point Company personnel will review the documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed by personnel in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Once verification of eligibility is complete, Free Mobile will destroy copies of proof documentation and contact the customer to confirm whether or not the customer can receive a SIM

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<sup>19</sup> See *supra* note 17.

card or must purchase a handset.<sup>20</sup> Free Mobile will then mail the handset, once purchased, or SIM card to the customer. Customers will be directed to call a toll free number when they receive their handset/SIM card in order to activate their service and/or visit an online website, at which point they will be required to enter the last four digits of their social security number. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Enrollment in person. While the Company believes that enrollment in person will ultimately be more effective and efficient than enrollment online or by phone, Free Mobile anticipates that this method will logistically take longer to launch. Free Mobile intends to roll out its in-person Lifeline enrollment through events (foreseeably beginning in 2013, pending Compliance Plan approval and ETC designations) and retail locations (foreseeably beginning in mid-to-late 2013).<sup>21</sup>

Events. When a prospective customer applies at a Company event, personnel will assist the customer in filling out an electronic application form on a Company computer or tablet, will ask to see a government issued ID and will validate the address via a USPS/Melissa Database and simultaneously input the name/address combination into CGM, LLC's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data (see section III.D below). If the customer indicates on the application form that their address is a multi-household residence, personnel will require the applicant to complete USAC's one-per-household template as well. In cases where an eligibility database exists, personnel will query the database to determine eligibility. In states where eligibility databases are not available, personnel will advise the applicant that they

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<sup>20</sup> See *supra* note 17.

<sup>21</sup> See attached Exhibit B for an enrollment flow diagram. At this time, Free Mobile intends to use only direct Free Mobile employees for the enrollment process. However, Free Mobile may in the future elect to use agents to enroll customers. All agents will be trained and monitored by direct Free Mobile employees.

are required to provide proof of identity and proof of participation in one of the Lifeline eligible programs or proof that their annual household income is at or below 135% of the federal poverty guidelines before their Lifeline service can be activated. If applicants do not have the necessary documentation in hand, they will be made aware of what documentation qualifies as proof of benefits and how to submit the required documentation to the Company. When Company personnel review the proof documentation, they will complete the “Office Use Only” section, which must be completely filled out and signed in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Eligibility documents are returned to the customer after review, if in person, or destroyed. Finally, Free Mobile personnel will verbally review all certifications and disclosures with the applicant before they sign the application form, making sure the applicant verbally acknowledges each required certification before moving on to the next. Once the Lifeline application is complete, it is scanned into the Company’s database. Upon successful completion of the certification process, eligible customers are allowed to choose a service plan and either receive their SIM card or purchase their handset in person.<sup>22</sup> In instances where eligibility databases cannot be accessed in real-time or proof of eligibility cannot be confirmed in person, Free Mobile will contact the customer once verification of eligibility is complete and will confirm whether or not eligible customers can receive a SIM card or must purchase a handset.<sup>23</sup> Free Mobile will then mail the handset, once purchased, or SIM card to the customer. Customers will be directed to call a toll free number and/or visit an online website when they receive their handset/SIM card in order to activate their service, at which point they will be required to enter the last four digits of their social security number. This enables

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<sup>22</sup> See *supra* note 17.

<sup>23</sup> See *id.*

Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Retail Locations. Free Mobile anticipates that it will be well into 2013 before the Company is able to enroll Lifeline customers via retail locations, due to the logistics of educating retail owners on the Free Mobile product, stocking inventory, and training retail employees (“agents”) for their role in the enrollment process. Free Mobile has access to over 50,000 retail distribution points throughout the United States through its affiliate, Ztar Mobile, Inc. (see section IV.A). In order to monitor agents in so many locations, Free Mobile is developing an online training certification program so that it can effectively and efficiently train its agents. The online training certification program will require the agents to read over a section of material then answer questions correctly regarding said material in order to move on to the next section. Answering any of these questions incorrectly will cause the user to restart the relevant section to ensure the user understands the material completely. Only upon successful completion of the online training will the agent be considered certified and be given login credentials to Free Mobile’s Lifeline enrollment mechanism.<sup>24</sup> Agents will also be given a copy of the training manual and will be required to sign and return the “Training Manual Acknowledgment of Receipt” contained within stating that they have read and understand all the material contained therein.

Free Mobile intends to utilize the CGM, LLC enrollment application or similar software which allows the subscriber to electronically fill out and sign a Lifeline Certification form, complete with all required certifications and disclosures, and also allows the agent to document information describing the subscriber’s proof documentation in the absence of an eligibility database. The enrollment application will cross reference any eligibility databases when available. The enrollment

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<sup>24</sup> See Exhibit G for a draft of Free Mobile’s Lifeline Training Manual. Agents will not be given login credentials to Free Mobile’s Lifeline enrollment mechanism until they successfully pass Free Mobile’s online training certification program, and in addition have signed and returned the “Acknowledgment of Receipt” contained within the training manual.

application will automatically validate the applicant's address via a USPS/Melissa Database and simultaneously check CGM, LLC's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data (see section III.D below). Agents will be trained to view the applicant's government issued ID in order to ensure the applicant is who they claim to be. Agents will also be trained to view and record information regarding proof of eligibility and determine if the documentation submitted is valid.<sup>25</sup> Agents will return the proof documentation to the customer after review. For an initial review period (i.e. the first 10 applications submitted by each agent, or until Free Mobile is confident in its agents' documentation) or anytime thereafter at Free Mobile's discretion, agents will be required to send a copy of the proof to Free Mobile for employee review (via digital image upload or fax) as well as documenting it themselves; Free Mobile will destroy its copy of the proof documentation immediately upon review. Upon successful completion of the certification process, eligible customers may be able to receive their SIM card or purchase their handset in person depending on available inventory; otherwise, they will receive their handset, once purchased, or SIM card by mail.<sup>26</sup> In instances where eligibility databases cannot be accessed or proof of eligibility cannot be confirmed in real-time, Free Mobile will contact the customer once verification of eligibility is complete and will confirm whether or not eligible customers can receive a SIM card or must purchase a handset. Free Mobile will then mail the handset, once purchased, or SIM card to the customer. Customers will be directed to call a toll free number and/or visit an online website when they receive their handset/SIM card in order to activate their service, at which point they will be required to enter the last four digits of their social security number. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

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<sup>25</sup> See Exhibit A, page 2 for an Eligibility Worksheet that personnel, including agents, will use for assistance and documentation in the eligibility review process. See also Exhibit G, #14.

<sup>26</sup> See *supra* note 17.

Free Mobile will determine eligibility utilizing the income and program criteria currently utilized by federal default states (47 C.F.R. § 54.409(a),(b)), as well as any additional state-specific criteria. Prior to enrolling a new subscriber, Free Mobile will check the eligibility of low-income consumers first by accessing state or federal social services electronic eligibility databases, where available.<sup>27</sup> If a database is used to establish eligibility, Free Mobile will not require documentation of the consumer's participation in a qualifying federal program; instead, Free Mobile or its representative will note in its records a description of what specific data was relied upon to confirm the consumer's initial eligibility for Lifeline.<sup>28</sup> However, in states where there is no state administrator, the state commission or other state agency is not making eligibility determinations, and there is no automated means for Free Mobile to check electronic databases for eligibility, Free Mobile will review documentation to determine eligibility for new subscribers until such time as a qualifying eligibility database is available.<sup>29</sup> Free Mobile will require acceptable documentation both for income eligibility and for program eligibility. The Company will not retain copies of the documentation but rather will establish policies and procedures to review such documentation and keep accurate records detailing how the consumer demonstrated his or her eligibility.<sup>30</sup> Free Mobile understands that it may permit agents or representatives to review documentation of consumer program eligibility for Lifeline, and in such cases Free Mobile remains liable for ensuring the agent or representative's compliance with the Lifeline program rules.<sup>31</sup> Free Mobile employees and/or its third party compliance vendor (currently CGM, LLC) will review all certifications forms, including those submitted via events and retail locations. If a form is incomplete or eligibility is questionable, Free Mobile will not

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<sup>27</sup> See Order at ¶ 97.

<sup>28</sup> See Order at ¶ 98.

<sup>29</sup> See Order at ¶ 99.

<sup>30</sup> See Order at ¶ 101.

<sup>31</sup> See Order at ¶ 110.

include such customer on its Form 497, will suffer the loss of any equipment already provided, and will take necessary action regarding the responsible agent.

Free Mobile will provide employees, agents, and representatives with training designed to give them an understanding of Lifeline program requirements and permit them to review customer documentation and determine whether it is sufficient to establish a customer's eligibility to participate in the Lifeline program under the Commission's rules. No Company employee, agent, or representative may accept a Lifeline application unless he or she has first completed this training program and demonstrated an understanding of the underlying material.<sup>32</sup> Among other things, the Lifeline program training will discuss the Company's Lifeline application form (see Exhibit A) on a section-by-section basis. The training will explain what sections of the form must be completed by the customer and review the form disclosures in detail, to facilitate an employee's ability to explain each item contained therein and answer any customer questions.

### **3. Annual Re-Certification**

Free Mobile understands that it must re-certify the eligibility of its entire Lifeline subscriber base as of June 1, 2012 by the end of 2012 and report the results to USAC by January 31, 2013, and the Company may elect to perform this re-certification on a rolling basis throughout the year.<sup>33</sup> Free Mobile does not have any existing Lifeline customers, and therefore will have no results to report to USAC for the January 31, 2013 deadline. Free Mobile will, however, re-certify the continued eligibility of all of its subscribers on an annual basis going forward by contacting them—either in person, in writing, by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.<sup>34</sup> The re-certification notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline

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<sup>32</sup> See Exhibit G for a draft of Free Mobile's Lifeline Training Manual.

<sup>33</sup> See *Order* at ¶ 130.

<sup>34</sup> See *id.*

benefits may be terminated, and how to contact the Company. Free Mobile will obtain a signed certification from the subscriber that meets the certification requirements of 47 C.F.R. § 54.410(d), as amended, as detailed in section C.2 above. The Company will provide written notice of impending service termination to subscribers who do not respond to the annual re-certification within 30 days. Free Mobile understands that such certifications may be obtained through a written format, an IVR system, or a text message, and will use one or more of such options for its certifications.<sup>35</sup>

Alternatively, where a database containing consumer eligibility data is available, Free Mobile (or state agency or third-party, where applicable) will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification. If a subscriber's address cannot be verified through the state data, Free Mobile will contact the subscriber every year during the annual certification process to obtain a valid address.<sup>36</sup> After 2012, Free Mobile may elect to have USAC administer the self-certification process on the Company's behalf.<sup>37</sup>

Free Mobile will certify its compliance with Commission rules on an annual Lifeline eligible telecommunications carrier certification form and when submitting FCC Forms 497 to USAC for reimbursement. As part of Free Mobile's submission of re-certification data pursuant to 47 C.F.R. § 54.416, an officer of the Company will certify annually to USAC:

(1) that the Company has procedures in place to review consumers' documentation of income-and program-based eligibility. In instances where the Company confirms consumer eligibility by relying on official program eligibility data, such as a state or federal database, an officer of the Company will attest to what data the Company

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<sup>35</sup> See Order at ¶ 132.

<sup>36</sup> See Order at ¶ 131.

<sup>37</sup> See Order at ¶ 133.

uses to confirm consumer eligibility in each state, and

(2) that the Company is in compliance with all federal Lifeline certification procedures.<sup>38</sup>

**D. Other Reforms to Eliminate Waste, Fraud and Abuse**

Free Mobile shares the Commission's concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein, with the belief that the procedures it will implement will prevent Company customers from engaging in such abuse of the program, inadvertently or intentionally.

Free Mobile has implemented enrollment procedures designed to prevent subsidies for duplicate, ineligible, or inactive subscribers. The Company contracts with a third party Lifeline service bureau, currently CGM, LLC, a Georgia-based company that is the leading provider of lifeline management services in the industry, for compliance, 497 calculation, fraud prevention, and to edit all subsidy request data. CGM will process and validate the Company's subsidy data to prevent: (1) Duplicate Same-Month Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month; and (2) Inactive lines receiving subsidy: CGM's systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines, in accordance with the Company's non-usage policy. Through the processes described herein, Free Mobile ensures that it does not over-request from support funds.

As detailed in section III.C.2, Free Mobile first validates each applicant's identity via a government issued ID card, passport, etc. Additionally, as mentioned above, Free Mobile requires the applicant to provide their date of birth (DOB) and last four digits of their social security number

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<sup>38</sup> See Order at ¶ 126-27.

(SSN). Requiring DOB and SSN ensures that neither the applicant nor the Company representative can forge certification forms based on false names and addresses. Once the applicant's identity is confirmed, Free Mobile verifies that the applicant is eligible to receive the Lifeline subsidy. To do this, Free Mobile checks an available eligibility database. If one is not available, the applicant is required to provide proof of income or program participation. This prevents ineligible applicants from receiving the subsidy.

As additional, voluntary measures consistent with industry best practices, Free Mobile plans to employ the services of a third party, such as IDology, for address and/or identity validation, and is currently developing its provisioning platform so that the name/address combination will also be dipped into CGM's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data. Representatives will be prompted to detail the one-per-household rule with the applicant.

Finally, Free Mobile believes that the subscriber education and attestation measures detailed in section III.C.2 above will effectively safeguard against the potential for duplicate subsidies introduced by Free Mobile providing a SIM card in lieu of a handset. The potential for duplicate subscribership is essentially the same whether an ETC is giving out SIM cards or handsets, because in either instance the ETC is relying upon customer attestations and available duplicates databases in order to prevent fraud, and in Free Mobile's case the Company is adding additional attestations to ensure the subscriber is fully aware that, for purposes of the Lifeline program, SIM cards and handsets are treated as one. On the other hand, the use of SIM cards may actually present additional safeguards against waste, fraud and abuse. Typically, handsets with SIM cards are sold or distributed locked, so that the customer must contact their provider to unlock the handset, thereby cancelling their service. Free Mobile is only able to provide a SIM card to customers with unlocked

GSM handsets. Furthermore, if a subscriber is intent on trying to enroll in more than one Lifeline service, then such customer will seek to receive more than one Lifeline service whether the services are provided through multiple handsets or a handset/SIM card combination. If a subscriber is able to somehow remove their existing SIM card from their Lifeline-supported handset and replace it with Free Mobile's SIM card (unlikely), then the waste will at least be detected during the 60-day non-usage policy because the SIM card that was removed will be inactive; whereas, if a customer is able to circumvent the system and receive two handsets (also unlikely, given the safeguards in place as a result of the *Order*), they would be able to continue drawing more than one Lifeline subsidy and the waste may not be detected within 60 days.

#### **1. National Lifeline Accountability Database**

Free Mobile will participate in the NLAD, once it is established. As required by the *Order*, Free Mobile will provide to the NLAD subscriber name, address, phone number, the last four digits of Social Security number, date of birth, Lifeline service initiation and de-enrollment date (when applicable), and amount of federal Lifeline support being sought for that subscriber.<sup>39</sup> Free Mobile will provide the information listed above for existing subscribers within 60 days of Commission notice that the NLAD is capable of accepting subscriber information.<sup>40</sup>

Furthermore, on its certification form, Free Mobile will obtain acknowledgement and consent from each of its subscribers that is written in clear, easily understandable language that the subscriber's name, telephone number, and address will be divulged to USAC (the administrator of the program) and/or its agents for the purpose of verifying that the subscriber does not receive more than one Lifeline benefit.<sup>41</sup>

Within 30 days following Commission notice that the NLAD is capable of accepting

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<sup>39</sup> See *Order* at ¶ 189.

<sup>40</sup> See *Order* at ¶ 190.

<sup>41</sup> See *Order*, Appendix C.

queries, Free Mobile will query the NLAD to check to see if a prospective subscriber is already receiving service from another ETC at a residential address prior to seeking reimbursement from the Fund.<sup>42</sup>

## 2. Subscriber Usage

Free Mobile will not seek reimbursement from the USF for new subscribers until they have personally activated the service, either by initiation and/or actual use of the service by the subscriber. Furthermore, Free Mobile will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.<sup>43</sup> Free Mobile will notify its subscribers at service initiation, via the certification form and via script that is reviewed with every customer, about the non-transferability of the phone service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period of time.<sup>44</sup> An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following: makes a monthly payment; purchases minutes from the Company to add to an existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the Company, its representative, or agent; or affirmatively responds to a direct contact from the Company confirming that he or she wants to continue.<sup>45</sup> Free Mobile utilizes tracking software to notify the customer if the customer has not used their service for more than 30 or 60 consecutive days. Furthermore, a third party contractor validates the Company's subsidy data to prevent a subsidy request for customers that are inactive under the Company's non-usage policy.<sup>46</sup> After notification, if the customer fails to use the Lifeline supported service, they are automatically de-enrolled pursuant to the procedures outlined

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<sup>42</sup> See Order at ¶ 203.

<sup>43</sup> See Order at ¶ 257.

<sup>44</sup> See *id.*

<sup>45</sup> See Order at ¶ 261.

<sup>46</sup> CGM, LLC is currently the Company's third party contractor.

in section E below. Free Mobile will continue to comply with applicable public safety, including transmitting 911 calls to the appropriate PSAP even if the Company is no longer providing Lifeline service to a consumer.<sup>47</sup>

### **3. Marketing & Outreach**

Free Mobile will implement the measures outlined herein to help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the limitations of the program, so as to prevent duplicative or otherwise ineligible service as well as other forms of waste, fraud, and abuse. Free Mobile will explain in clear, easily understood language the following disclosures in all marketing materials related to the supported service:<sup>48</sup> (1) the offering is a Lifeline-supported service; (2) only eligible consumers may enroll in the program; (3) the program is limited to one benefit per household, consisting of either wireline or wireless service; and (4) Lifeline is a government benefit program. Free Mobile's website and printed collateral will explain the documentation necessary for enrollment, and the details of Free Mobile's plans. Such collateral and website information, as well as its application, will make clear that consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.<sup>49</sup> For broadcast advertisements and outdoor signs, and any other situation in which inclusion of documentation information and warnings against willful false statements are not practicable, Free Mobile will include the URL link for its website where disclosures will be listed. Additionally, Free Mobile

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<sup>47</sup> See *Order* at ¶ 262. 911 transmission will actually be performed by the Company's underlying facilities-based CMRS provider.

<sup>48</sup> See Exhibit C for a sample brochure. The Company understands the term "marketing materials" includes materials in all media, including but not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage, that describe the Lifeline-supported service offering, including application and certification forms. See *Order* at ¶ 275.

<sup>49</sup> See *Order* at ¶ 275.

will disclose the company name under which it does business.<sup>50</sup>

#### **4. Audits**

The *Order* requires ETCs that draw \$5 million or more in the aggregate on an annual basis from the low-income program, as determined on a holding company basis taking into account all operating companies and affiliates, to hire an independent licensed certified public accounting firm to conduct a biennial audit according to government accounting standards to assess the ETC's overall compliance with the program's requirements.<sup>51</sup> Free Mobile will comply with this requirement if and when it is approved, including applicable rules regarding the dissemination of audit findings to the Commission, USAC, and relevant state and Tribal governments within 30 days upon issuance.<sup>52</sup>

#### **E. De-Enrollment**

If at any time a Free Mobile Lifeline customer wishes to de-enroll from the Company's Lifeline program, Company customer service representatives will handle such elective de-enrollment requests. Free Mobile Lifeline customers simply call the Company, via 611 or the toll-free customer service number, and they can speak to a live operator to de-enroll from Free Mobile's Lifeline program. Free Mobile will de-enroll consumers from the Company's Lifeline program in the following instances, according to C.F.R. § 54.405(e):

Ineligibility. Any subscriber who indicates that he or she is receiving more than one Lifeline-supported service per household, or neglects to make the required one-per-household certification on his or her certification form, will be de-enrolled from Lifeline pursuant to the

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<sup>50</sup> *See id.*

<sup>51</sup> *See Order* at ¶ 291.

<sup>52</sup> *See Order* at ¶ 294. As of the date of filing of this Compliance Plan, the audit requirement has not been approved pursuant to the Paperwork Reduction Act.

process for resolving duplicative Lifeline subscriptions described in section 54.405(e)(2).<sup>53</sup>

If a customer does not respond to the Company's annual verification survey within 30 days, or if Free Mobile has reasonable basis to believe that the subscriber no longer meets the Lifeline-qualifying criteria (including instances where a subscriber informs the Company or the state that he or she is ineligible for Lifeline), Free Mobile will provide a written notice of impending service termination to the subscriber and then give the subscriber 30 days after the date of the letter to demonstrate that his or her Lifeline service should not be terminated.<sup>54</sup> Similarly, Free Mobile will de-enroll a subscriber if they fail to respond to the Company's attempt to verify a temporary address within 30 days.<sup>55</sup>

Duplicative Support. Subject to USAC's Duplicate Resolution Process and anticipated Duplicate Scrubbing Process,<sup>56</sup> Free Mobile will de-enroll a subscriber within 5 business days if the Company is informed by USAC that the subscriber is receiving Lifeline service from another ETC or that more than one member of a subscriber's household is receiving Lifeline service.

Non-Usage. Free Mobile will de-enroll any subscriber that has not used the Company's Lifeline service for 60 consecutive days, as discussed in section IV.B above. Free Mobile will provide the subscriber 30 days' notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the 30-day notice period will result in service termination for non-usage; such notice may be initiated after 30-days of non-usage. Free Mobile will update the national database, once in place, within one business day of de-enrolling a subscriber for non-use and will submit a non-usage de-enrollment report annually to USAC.<sup>57</sup>

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<sup>53</sup> See Order at ¶ 122.

<sup>54</sup> See *id.* In states that have dispute resolution procedures applicable to Lifeline termination, the Company will comply with the state requirements.

<sup>55</sup> See Order at ¶ 89.

<sup>56</sup> See Order at ¶ 214-16.

<sup>57</sup> See Order at ¶ 257.

## **F. Additional Rule Amendments**

### **1. Terms and Conditions of Service**

Free Mobile has attached as Exhibit D its Lifeline terms and conditions of service. The Company's Lifeline offering is summarized in section IV.C below. These terms and conditions are subject to change as needed, and the most current version will be maintained at [www.freemobileusa.com](http://www.freemobileusa.com).

### **2. Reporting Requirements**

Free Mobile will report all information required by section 54.422, including as it may heretofore be amended. This includes the names of the Company's holding company, operating companies and affiliates, and any branding ("doing-business-as company" or brand designation), and provide to the Commission and USAC general information regarding the terms and conditions of the Lifeline plans for voice telephony service offered specifically for low income consumers through the program offered during the previous year, including the number of minutes provided, and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.<sup>58</sup>

### **3. Reimbursement from USAC**

In seeking reimbursement for Lifeline, Free Mobile will comply with the requirements of C.F.R § 54.407, as revised by the *Order*.<sup>59</sup> Free Mobile will certify when seeking reimbursement that the Company has obtained a valid certification form for each consumer for whom the Company seeks Lifeline reimbursement,<sup>60</sup> and the Company will seek reimbursement for actual

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<sup>58</sup> See *Order* at ¶ 296, 390. Section 153 of the Communications Act defines "affiliate" as "a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person."

<sup>59</sup> See *Order* page 221.

<sup>60</sup> See *Order* at ¶ 128.

lines served, not projected lines.<sup>61</sup>

#### 4. Section 54.202 Certifications

Free Mobile certifies the following in accordance with newly amended C.F.R. § 54.202: (1) Free Mobile will comply with the service requirements applicable to the support that it receives; (2) Free Mobile is able to remain functional in emergency situations; (3) Free Mobile will satisfy applicable consumer protection and service quality standards.

#### IV. COMPANY INFORMATION

Free Mobile is a Texas corporation. Free Mobile will provide prepaid wireless telecommunications services to consumers by using the network of its underlying carrier(s), currently AT&T and Sprint Spectrum L.P. (“Sprint”). AT&T and Sprint are nationwide carriers that provide wholesale capacity on their wireless networks to resellers like Free Mobile. Through existing direct wholesale agreements, Free Mobile obtains from AT&T and Sprint the network infrastructure and transmission facilities to allow Free Mobile to operate as a Mobile Virtual Network Operator (“MVNO”).

##### A. Names and Identifiers

Free Mobile is affiliated with the following companies: Ztar Mobile, Inc. (“Ztar”),<sup>62</sup> a

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<sup>61</sup> See *Order* at ¶ 302.

<sup>62</sup> Ztar was involved in a consent decree with the FCC; see EB-11-SE-061; EB-10-SE-126; EB-08-TC-6092. The consent decree covered two previously outstanding enforcement issues: i) a CPNI reporting violation for the annual report for 2007 (CPNI issue); and ii) a Hearing Aid Compatibility rules violation for the offer of one too many non-compatible handsets in 2009 (HAC issue). The CPNI issue was solely a paperwork violation, since Ztar typically does not handle CPNI in the normal course of its business, and has not received any complaints. In 2007, Ztar was unaware of the CPNI annual report requirement until too late to submit that year's report on time. The remedy in the consent decree was for Ztar to submit reports of its plan for compliance and status reports to the FCC for 2 years; in addition, Ztar has been in full compliance with all CPNI requirements through 2012. The HAC issue was based on the online offer of a handset that was never actually sold. Nevertheless, because Ztar was truthful in its reporting of the potential availability of that handset on its website, the Commission noticed a violation (Ztar failed to meet the required ratio by one handset) and in 2010 began putting Ztar

Delaware corporation (owner/controller of Ztar Mobile Singapore Branch); Ztar Mobile Canada, Inc., a Texas corporation; Ztar Mobile Asia, a Texas corporation; Good2GO Mobile, Inc., a Texas corporation; Blitz Mobile, Inc., a Texas corporation; Pavo Communications, Inc., a Texas corporation (owner/controller of Pavo Communications Sdn Bhd., a Malaysian corporation); GE Holdings, Inc., a Texas corporation (not yet organized); Spring Card Systems, LLC, a Texas limited liability company; and MGTCO Holdings, LLC, a Texas limited liability company. Ztar is the only affiliate currently providing telecommunications service in the United States.

#### **B. Financial and Technical Capability**

Free Mobile is financially and technically capable of providing Lifeline-supported services.<sup>63</sup> Free Mobile has received the necessary private funding to launch its wireless services and, if necessary, has access to additional capital from private investors. Free Mobile is able to draw from the financial and technical resources of its affiliates, which have been providing service since 2005 under several brands and with major retailers – with a presence not only throughout the United States but also in Canada, Singapore, and Malaysia. Free Mobile was incorporated as a new and separate company to essentially serve as the Lifeline arm of Ztar’s retail wireless service. Therefore, in launching its prepaid wireless Lifeline service Free Mobile will be able to draw from Ztar’s proven operations, sales and marketing strategies, network of world class retail partners,<sup>64</sup> and almost a decade of experience in the prepaid wireless industry. Free Mobile has not been

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through the consent decree process and eventually extracted a voluntary contribution and 2 years of status reports. Ztar was not accused of being in default of any other rules in any other years, and believes it is currently in full compliance. Ztar is current with all its obligations under the consent decree. To Ztar’s knowledge, all investigations have been terminated.

<sup>63</sup> See *Order* at ¶ 387.

<sup>64</sup> Ztar has distribution arrangements with major retail partners such as 7-Eleven, RadioShack, Race Trac, Fry’s Electronics, and GameStop, with a combined total of over 50,000 locations nationwide. Even if Free Mobile does not utilize Ztar’s network of retail locations for enrollment purposes, its Lifeline customers will still benefit from being able to purchase additional minute refill cards at these locations.

subject to enforcement action or ETC revocation proceedings in any state. Free Mobile intends to provide service to both Lifeline and non-Lifeline customers and will not rely exclusively on USF disbursements to operate. Furthermore, the senior management of Free Mobile has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.<sup>65</sup> Free Mobile will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its underlying carrier.

### **C. Lifeline Offering**

Free Mobile will offer its Lifeline service in the states where it is designated as an ETC and throughout the coverage area of its underlying carriers, currently AT&T and Sprint. Free Mobile offers two wireless technologies: GSM (AT&T network) and CDMA (Sprint network), and customers will be able to purchase both GSM-compatible and CDMA-compatible handsets at a discounted cost. Or, Free Mobile will provide a Company SIM card for free to customers that already have a GSM-compatible handset. The type of network a customer is on will be determined by the handset that they choose (GSM = AT&T, CDMA = Sprint), and they will be able to check their respective network coverage on the Company's website. As summarized in Exhibit F attached hereto, the Company's Lifeline offering will provide customers with the following options:<sup>66</sup>

**BASIC:** 68 anytime, anywhere minutes/month, with unlimited rollover of unused minutes. Includes 3 to 1 texting, no web.

**PLUS:** 125 domestic minutes/month, with limited rollover of unused minutes (90 days). Includes 1 to 1 texting, no web.

**DELUXE:** 250 domestic minutes/month, with no rollover. No text, no web.

**ELITE:** \$35 for Unlimited talk and text, no web.

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<sup>65</sup> See Exhibit E for key management resumes.

<sup>66</sup> Free Mobile reserves the right to alter the proposed Lifeline rate plans on a state-by-state basis, particularly as required by state public utility commissions (PUC). Free Mobile commits to pass through the entire Lifeline subsidy amount directly to the consumer.

**ELITE PLUS:** \$45 for Unlimited talk, text, and 200MB of data.

**ELITE PLATINUM:** \$55 for Unlimited talk, text, and 600MB of data.

Minutes are credited to a customer's account on their monthly anniversary date - which is set on their Lifeline activation date. In addition to wholly-supported voice services, prepaid Lifeline customers also will have access to voice mail, caller I.D., call waiting, and 3-way calling services at no additional charge, even after their initial allotment of included minutes has been consumed. Customers may place calls to 911 for free, regardless of account balance or activation status, and airtime minutes are not deducted for calls to customer service either via 611 or the toll free number. Lifeline customers can also purchase additional airtime if needed (at a retail location, via phone, or online), always at the cost of \$0.10 cents per minute or less. Free Mobile customers will receive convenient low balance alerts at no charge to the customer. All Company plans come with domestic long distance at no extra charge and exceptional nationwide digital coverage on either the AT&T Wireless or Sprint PCS Networks. Free Mobile currently blocks roaming features, so Lifeline customers are not at risk for incurring unexpected roaming charges. Customers may also elect to block international calling features. Free Mobile does not impose burdensome credit checks or long-term service contracts. Free Mobile's prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of wireless service, but who are concerned about usage charges or long-term contracts.

NOV 20 2012

FCC Mail Room

V. CONCLUSION

Free Mobile submits that its Compliance Plan fully satisfies the conditions of forbearance set forth in the Commission's *Order*. Implementation of the procedures described herein will promote public safety and should ensure that Lifeline customers have access to 911 and E911 services while safeguarding against misuse of the Company's Lifeline services. Accordingly, Free Mobile respectfully requests that the Commission expeditiously approve its Compliance Plan so that the Company may begin providing the benefits of much-needed Lifeline service to qualifying low-income consumers as quickly as possible.

Respectfully submitted,

Free Mobile, Inc.



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*Its Counsel*

Dated November 19, 2012

Received & Inspected

NOV 20 2012

FCC Mail Room

**Exhibit A**

Sample Lifeline Certification Form and Eligibility Worksheet



16 Village Ln, Suite 250  
Colleyville, TX 76034

1-855-281-9333  
www.freemobileusa.com

LIFELINE APPLICATION

FCC Mail Room

A Complete and signed Lifeline Service Application and Certification ("Certification") is required to enroll you in Free Mobile, Inc.'s ("Company's") Lifeline service program in your state. The Certification is only for the purpose of verifying your eligibility in the Lifeline service and will not be used for any purpose other than the Lifeline program. Service requests will not be processed until this form has been received and verified by the company.

Things to know about the Lifeline Program

- (1) Lifeline is a federal benefit.
- (2) Lifeline Service is available for only one line per household. A household cannot receive benefits from multiple providers, and
- (3) A household is defined, for purposes of the Lifeline Program, as any individual or group of individuals who live together at the same address and share income and expenses

Applicant Information:

First Name: \_\_\_\_\_ MI \_\_\_\_\_ Last Name: \_\_\_\_\_ Date of Birth: Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

Last 4 digits of Social Security Number \_\_\_\_\_ Contact Telephone Number \_\_\_\_\_

Residence Address (No P.O. Boxes, Must be your principal address) This address is (check all that apply)  Permanent  Temporary  Multi-Household

\_\_\_\_\_ APT/ Floor/ Other \_\_\_\_\_ City: \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Billing/Shipping Address (If different from the Residence Address) (May Contain a P.O. Box)

\_\_\_\_\_ APT/ Floor/ Other \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

I hereby certify that I participate in at least one of the following programs: (Check only one)

- Supplemental Nutrition Assistance Program (SNAP)
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance
- Low- Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Program (free program only)
- Temporary Assistance for Needy Families (TANF)
- Medicaid
- I certify that my household income is at or below 135% of the Federal Poverty Guidelines (FPG). There are \_\_\_\_\_ individuals in my household.

I certify, under penalty of perjury: (Please certify by checking each Checkbox for each Certification)

- (1) The information contained in my application remains true and correct to the best of my knowledge and I acknowledge that willfully providing false or fraudulent information to receive Lifeline benefits is punishable by law and may result in me being barred from the program.
- (2) I have provided documentation of eligibility if required to do so
- (3) I understand that a SIM card equates to a phone and I and my household can only have one Lifeline-supported telephone service, whether through a SIM card or a phone. I understand that violation of the one-per-household requirement constitutes a violation of the FCC's rules and will result in my de-enrollment from the lifeline program, and could result in criminal prosecution by the United States Government
- (4) I attest to the best of my knowledge, that I and no one in my household is receiving a Lifeline supported service from any other land line or wireless company such as Safelink, Assurance, or Reachout Wireless.
- (5) I understand my Free Mobile, Inc. Lifeline service is a non-transferable. I may not transfer my service to any individual, including another eligible low-income consumer.
- (6) I understand that if my service goes unused for sixty (60) days, my service will be suspended, subject to a thirty (30) day period which I may use the service or contact Free Mobile, Inc. to confirm that I want to continue receiving their service
- (7) I will notify Free Mobile, Inc. within thirty (30) days if I no longer qualify for Lifeline. I understand this requirement and may be subject to penalties if I fail to notify my phone company. Specifically, I will notify my company if:
  - (1) I or my household cease to participate in the above federal or state program, or my annual household income exceeds 135% FPG.
  - (2) My household is receiving more than one Lifeline supported service,
  - (3) I or my household no longer satisfy the criteria for receiving Lifeline support
- (8) I will notify Free Mobile, Inc. within thirty (30) days of moving. Additionally, if my address listed above is a temporary address, I understand that I must verify my address with Free Mobile, Inc. every ninety (90) days. If I fail to respond to Free Mobile, Inc.'s address verification attempts within thirty (30) days, my Free Mobile, Inc. Lifeline service may be terminated.
- (9) Free Mobile, Inc. has explained to me that I am required each year to re-certify my continued eligibility for Lifeline and I may be asked to re-certify at any time. If I fail to do so within thirty (30) days of being asked, it will result in the termination of my Free Mobile, Inc. Lifeline service.
- (10) I authorize and understand that the Free Mobile, Inc. may provide to state and Federal agencies, as required by law, for the purposes of complying with the Lifeline program all the information related to my account including but not limited to my name, date of birth, social security, usage history, address and phone number.
- (11) I understand that information related to my account including but not limited to my name, telephone number, and address will be divulged to the Universal Service Administrative Company (USAC)(the administrator of the program) and/or its agents for the purpose of verifying that I do not receive more than one Lifeline subsidy.
- (12) I understand that if USAC identifies I am receiving more than one Lifeline subsidy, all carriers involved may be notified so that I may select one service and be de-enrolled from the other. I further understand that some states may impose more stringent rules including but not limited to barring me from re-enrolling in the program.
- (13) I authorize the company to access any records required to verify my statements on this form and to confirm my eligibility for the Lifeline program
- (14) If I elect to use a handset not provided by Free Mobile, I attest that, to the best of my knowledge, the handset (or SIM card that was removed from the handset) is not currently associated with Lifeline service.

APPLICANT'S SIGNATURE

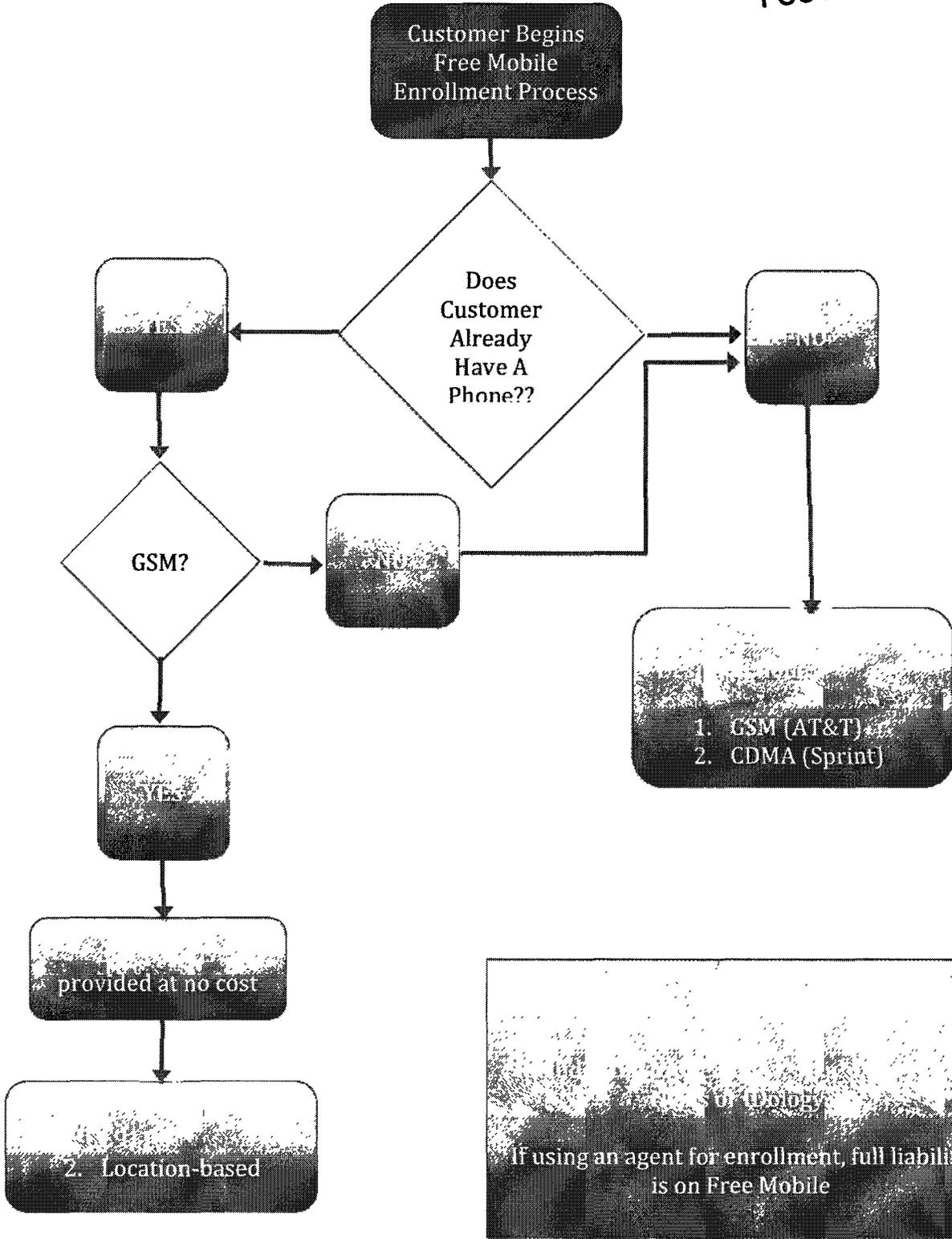
DATE

**Exhibit B**  
Enrollment Flow Diagram

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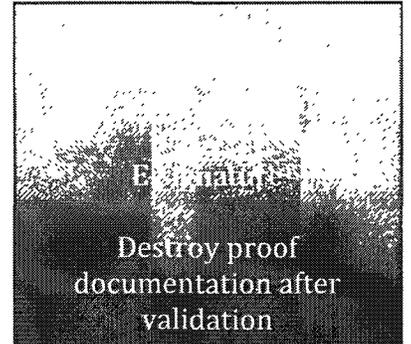
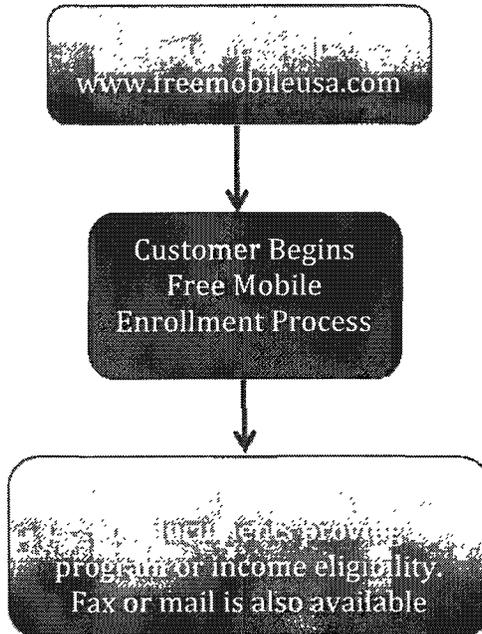
**FREE MOBILE, INC. – ENROLLMENT PROCESS FLOW**

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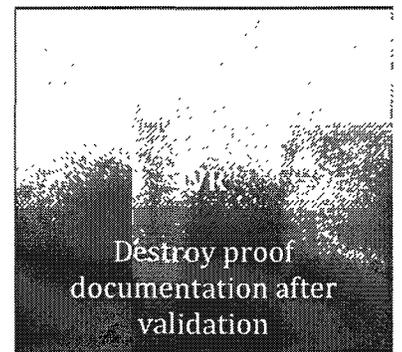
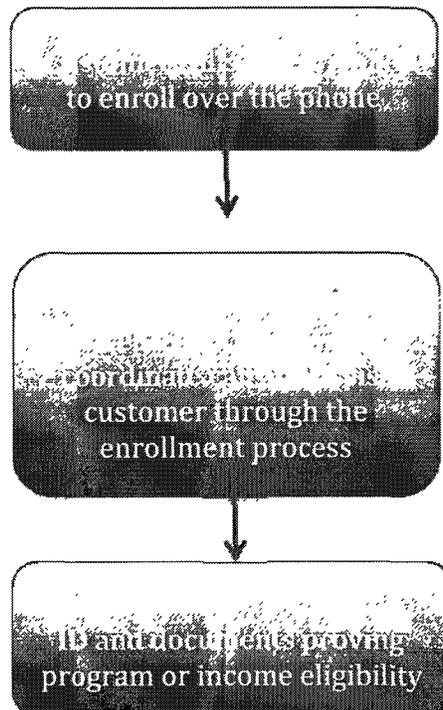


of liability  
If using an agent for enrollment, full liability is on Free Mobile

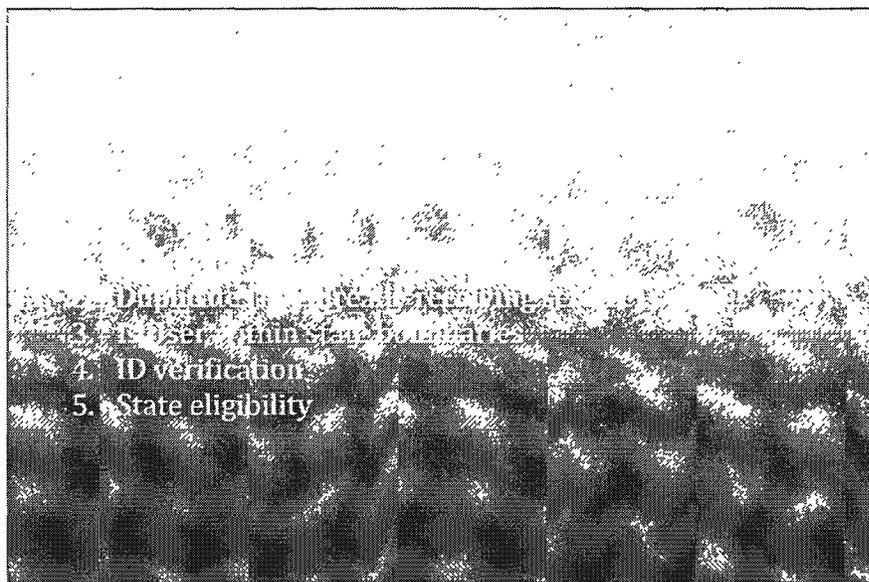
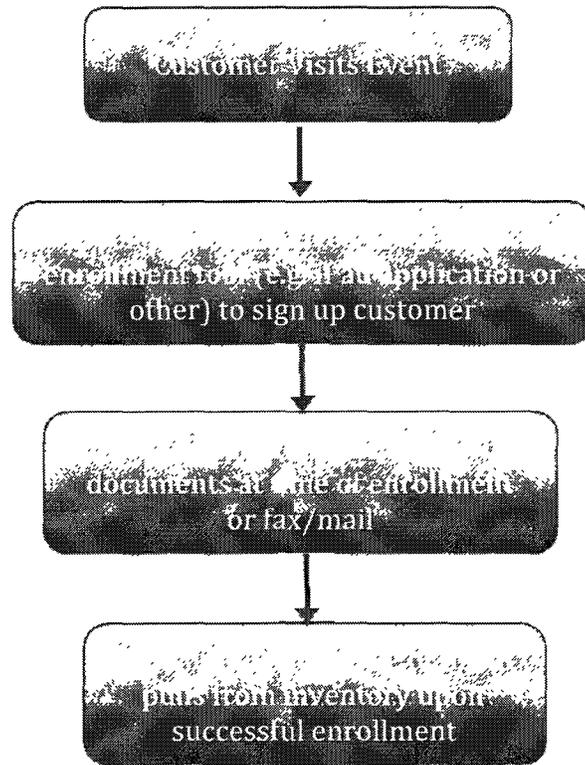
## ENROLLMENT METHOD #1 - ONLINE



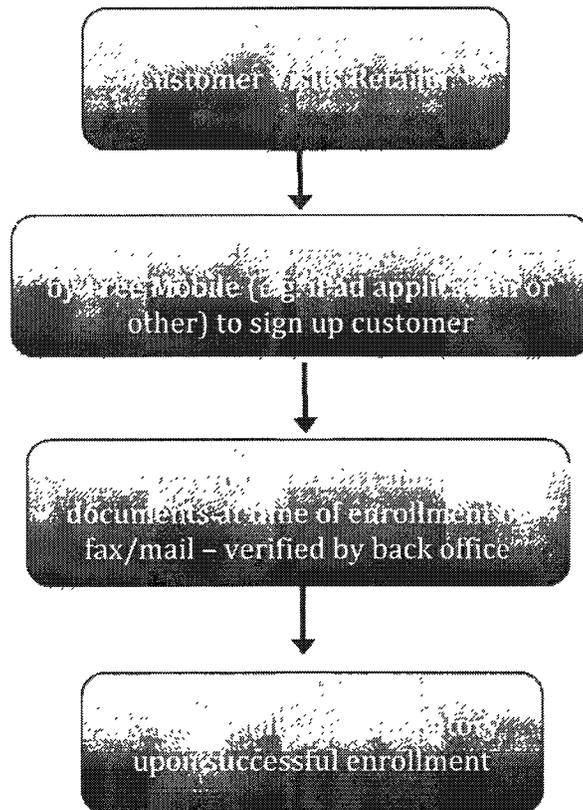
## ENROLLMENT METHOD #2 - PHONE



### ENROLLMENT METHOD #3 - EVENT



## ENROLLMENT METHOD #4 - RETAIL



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**Exhibit C**

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Sample Advertisement

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## PLANS

Free Mobile offers the following plans:

### FREE PLANS

BASIC (68 mins per month; 3 texts/min)

PLUS (125 mins per month; 1 text /min)

DELUXE (250 mins per month)

### PREMIUM PLANS

\$35: ELITE (Unlimited talk and text)

\$45: ELITE PLUS (Unlimited talk, text and 200 mb of web)

\$55: ELITE PLATINUM (Unlimited talk, text, 600 mb of web)

*We've Got You Covered*

 **FREE**  
mobile

Free Mobile, Inc.  
16 Village Ln, Suite 250 Colleyville, TX 76034  
[www.freemobileusa.com](http://www.freemobileusa.com)

**Free Mobile**  
Wireless Service for those in need

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## What is a SIM card?

A SIM card or *Subscriber Identity Module* is a memory chip used in most models of cellular phones. The SIM card makes it easy to switch to a new phone by simply sliding the SIM out of the old phone and into the new one. The SIM holds personal identity information, cell phone number, phone book, text messages and other information related to your FREE MOBILE account.

A SIM card can come in very handy. Just slide your SIM card into whatever phone you wish to use.

# Buy a phone from us or use the one you already have!

Eligibility is determined by providing documentation that you meet income requirements or participate in any of the following government-sponsored programs:

- Food Stamps
- Energy Assistance
- Supplemental Security Income

Visit [www.freemobileusa.com](http://www.freemobileusa.com) for more information

Only eligible consumers may enroll in the program

The program is limited to one benefit per household, consisting of either wireline or wireless service

Lifeline is a government benefit program; Consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program

Lifeline service is non-transferable

\*A SIM card equates to a phone; you can only have one Lifeline-supported service per household, whether by SIM card or phone. You cannot receive a SIM card from Free Mobile if you have a Lifeline-supported SIM card or phone with any other carrier.

**Exhibit D**

Lifeline Terms and Conditions

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FREE MOBILE, INC™ Terms and Conditions of Service

Please read these FREE MOBILE, INC Terms and Conditions of Service carefully. These Terms and Conditions of Service are a legally binding agreement between you and FREE MOBILE, INC. They contain important information about your legal rights and require that certain disputes be resolved through Arbitration instead of a court trial. FREE MOBILE reserves the right to change or modify any of these FREE MOBILE, INC Terms and Conditions of Service at any time and at its sole discretion. Any changes or modifications to these Terms and Conditions of Service will be binding upon you once posted on the FREE MOBILE, INC website at [www.FREEMOBILE.ORG](http://www.FREEMOBILE.ORG). You should check the FREE MOBILE website regularly for updates to these terms.

By enrolling in the FREE MOBILE, INC Program (the "FREE MOBILE, INC Program" or "FREE MOBILE Program") and by using the FREE MOBILE, INC service (the "FREE MOBILE, INC Service" or "FREE MOBILE Service"), you ("You"), the participant, acknowledge and agree to the following terms and conditions:

1. FREE MOBILE, INC PROGRAM DESCRIPTION. FREE MOBILE, INC Service is funded by the Universal Service Fund Lifeline program and administered by the Universal Service Administrative Company. In order to qualify for enrollment in the FREE MOBILE, INC Program, a person must meet certain eligibility requirements set by each state where the FREE MOBILE Program is offered. These requirements are based on a person's participation in a state or federal support program(s) or by meeting certain income requirements based upon the Income Poverty Guidelines as defined by the US Government. Federal law limits the availability of the FREE MOBILE Program. The FREE MOBILE Program allows one (1) enrollment per "household" (a household is defined, for purposes of the Lifeline Program, as any individual or group of individuals who live together at the same address and share income and expenses). Applicants for the FREE MOBILE Program must complete an application form, provide supporting documentation that they meet the eligibility requirements and certify, under penalty of perjury, that they: 1) Are eligible for and currently receive benefits from the public assistance program(s) identified in the application form or have an annual household income at or below 135 percent of the Federal Poverty Guidelines. 2) Do not currently receive Lifeline support for a telephone line serving their residential address and no other resident in their household participates in the Lifeline program. If the applicant is already participating in another Lifeline program, then the applicant agrees to cancel their current household Lifeline support provider in order to enroll in the FREE MOBILE Program. 3) Will notify FREE MOBILE, INC by calling 1-855-281-9333 if and when they no longer qualify for any of the public assistance programs identified in their application form or when their annual household income is above 135 percent of the Federal Poverty Guidelines. 4) Will notify FREE MOBILE, INC of any change of address by calling 1-855-281-9333. 5) Reviewed the information contained in their application and it is true and correct to the best of their knowledge and belief. Applicants who qualify and are enrolled in the FREE MOBILE Program will receive a free SIM card (or, in the alternative, may purchase a handset) provided by FREE MOBILE together with a free allotment of airtime minutes each month for up to one year. FREE MOBILE will determine at its sole discretion whether or not an applicant meets the eligibility requirements to participate in the FREE MOBILE Program. The monthly airtime minutes provided by the FREE MOBILE Program will vary from state to state and will be based upon the Plan Option selected. Please call FREE MOBILE, INC at 1-855-281-9333 or visit our website at [www.FREEMOBILE.ORG](http://www.FREEMOBILE.ORG) for further information. Upon enrollment in the FREE MOBILE Program, You will be qualified to participate for up to one (1) year. To continue your enrollment in the FREE MOBILE Program after the initial year, You must verify annually that you are qualified for continued enrollment in the FREE MOBILE Program as required by your state Public Service Commission, Public Utility Commission or other agency administering the FREE MOBILE Program in Your state. FREE MOBILE will also conduct verification drives for each state according to its rules. If FREE MOBILE determines during its verification drive, or at any other time, that a customer fails to continue to qualify for the FREE MOBILE Program, such customer will immediately be deemed ineligible to participate in the FREE MOBILE Program, will be de-enrolled from the FREE MOBILE Program and will no longer receive the free monthly minutes. FREE MOBILE Customers who are no longer eligible (for any reason) for enrollment in the FREE MOBILE Program must immediately notify FREE MOBILE, INC that they no longer

meet the eligibility requirements for enrollment. A FREE MOBILE customer's enrollment may also be cancelled upon the request of a state and/or federal authority. FREE MOBILE and FREE MOBILE, INC reserve the right to cancel the enrollment of any customer and/or permanently deactivate any customer's FREE MOBILE airtime card for fraud, misrepresentation or other misconduct as determined solely by FREE MOBILE. While participating in the FREE MOBILE Program, a customer shall not be permitted to sell, rent, give away or in any way allow another person to use the airtime card or FREE MOBILE Service provided to him/her by FREE MOBILE, INC. IT IS A VIOLATION OF FEDERAL AND STATE LAW TO SELL OR GIVE AWAY THE FREE MOBILE SIM CARD OR FREE MOBILE SERVICE PROVIDED TO YOU BY FREE MOBILE, INC. Any violation of this prohibition will be reported to the appropriate legal authorities for prosecution. In addition, if FREE MOBILE determines, in its sole discretion, that a FREE MOBILE, INC customer has violated these prohibitions, FREE MOBILE will permanently de-enroll the customer from the FREE MOBILE Program, their airtime card will be permanently deactivated and the customer's personal information will be permanently flagged so that the customer may not re-enroll in the FREE MOBILE Program in the future. If you have any questions, concerns, comments or complaints regarding the FREE MOBILE Program or Service, offerings or products, please call FREE MOBILE, INC Customer Care at 1-855-281-9333. You may also contact your state's Public Service Commission/Public Utility Commission.

2. **ACTIVATION AND USE OF YOUR FREE MOBILE AIRTIME CARD.** Upon enrollment in the FREE MOBILE Program, you will receive a pre-activated FREE MOBILE, INC subscriber mobile identity (SIM) card delivered to your home address noted in the application. This SIM card, or airtime card, can either be used in your existing GSM phone, or you can purchase a phone from FREE MOBILE for \$20. You must accept the FREE MOBILE, INC telephone number assigned to your FREE MOBILE airtime card at the time of activation and you will acquire no proprietary interest in any number assigned to you. The wireless telecommunications networks used to transmit calls for the FREE MOBILE, INC Service are owned and operated by various licensed commercial mobile radio service providers ("Carriers"), not FREE MOBILE, INC or FREE MOBILE. The number assigned to your FREE MOBILE airtime card at the time of activation will not be changed for any reason unless required by a Carrier or if the number is lost following the deactivation of your airtime card. You may not select a number to be assigned to your FREE MOBILE airtime card. Your FREE MOBILE airtime card can only be used through FREE MOBILE, and cannot be activated with any other wireless or cellular service. FREE MOBILE, INC Services are provided at FREE MOBILE'S discretion. Some functions and features referenced in the Manufacturer's manual provided with your FREE MOBILE airtime card, if you purchase a phone from FREE MOBILE, may not be available on your FREE MOBILE, INC handset. FREE MOBILE may modify or cancel any FREE MOBILE Service or take corrective action at any time without prior notice and for any reason, including but not limited to your violation of these terms and conditions of service.

3. **AIRTIME RATES, USAGE AND INCLUDED MONTHLY MINUTES.** While you are enrolled in the FREE MOBILE Program, you will receive a free monthly allotment of airtime minutes as provided for the FREE MOBILE Program approved in your state and the minute Plan that you select. FREE MOBILE, INC airtime is issued in minute (or unit) increments. Units are deducted from the FREE MOBILE airtime card at a rate of one (1) unit per minute or partial minute of use. There is no additional charge for nationwide long distance. If you are on the BASIC plan, there is no additional charge for international long distance to countries designated at [www.FREEMOBILEUSA.com](http://www.FREEMOBILEUSA.com). FREE MOBILE offers seven plans that are currently available to all new and existing FREE MOBILE customers. Each plan offers different benefits, features and carryover options.

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The Plans that are currently available are:

Plan Name (your price)	Free Monthly Minutes Included in Plan	Unused Minutes Carryover Each Month	Text Message Charge*	Web	Additional Minutes Charge per Min	Voicemail Caller ID Call Waiting
BASIC (\$0)	68	Yes	3 Texts/1 Minute	n/a	\$0.10	Yes
PLUS (\$0)	125	Yes, Limited to 90 days	1 Text/1 Minute	n/a	\$0.10	Yes
DELUXE (\$0)	250	No**	1 Text/1 Minute	n/a	\$0.10	Yes
ELITE (\$35)	Unlimited	Unlimited	n/a	n/a	n/a	Yes
ELITE PLUS (\$45)	Unlimited	Unlimited	n/a	200mb	n/a	Yes
ELITE PLATINUM (\$55)	Unlimited	Unlimited	n/a	600mb	n/a	Yes

\*These text messaging rates will apply even if a different text messaging rate is stated on an airtime card.

\*\*With The DELUXE plan, your airtime card will reset to 250 minutes each month when your monthly minutes are delivered. Unused minutes will not automatically carry over to the next month.

New FREE MOBILE customers must choose a plan upon enrollment. Existing FREE MOBILE customers who wish to switch plans may do so at [www.FREEMOBILEUSA.com](http://www.FREEMOBILEUSA.com) or by calling 1-855-281-9333. If you switch plans before the 25th day of any given month, the change will be effective the following month. If you switch plans on or after the 25th day of the month, the change will be effective in the second month following your request to switch plans. You may use your free monthly allotment of airtime minutes to place or receive calls, to send or read text messages or multi-media messages and to access the internet (with certain models of phones). In order to receive your monthly allotment of minutes, you will need to leave your FREE MOBILE airtime card and GSM mobile phone powered "on" during the first few days of each month. If you DO NOT receive your monthly allotment of minutes because your phone was not "ON" at the beginning of the month or your phone does not automatically retrieve minutes when powered "ON." You may self-retrieve by following the instructions below. If for any reason these instructions do not work on your handset, please call us at 1-855-281-9333. Airtime minutes will be deducted for all time during which your FREE MOBILE airtime card is connected to, or using, the wireless system of any Carrier. Use of a wireless system typically begins when you press the "send," "call" or other key to initiate or answer a call and does not end until you press the "end" key or the call is otherwise terminated. Airtime minutes are deducted for all incoming and outgoing calls, including incoming call waiting calls, simultaneous calls, calls to toll free numbers including Customer Care, 411 and to access your voice mail. For simultaneous calls, such as incoming call waiting and 3-way calling (where available) airtime minutes will be deducted for each call. Airtime minutes are not deducted for calls to 911, and all handsets will be able to call 911 even if they have no airtime remaining. For outbound calls, you may be charged airtime for incomplete and/or busy-no answer calls. Airtime minutes will be deducted for use of other services such as text messaging and accessing the FREE MOBILE Mobile Web ("WAP"). No credit or refund is given for dropped calls.

4. SELF-RETRIEVAL AND ADDING AIRTIME. Self-Retrieve Your Monthly Minutes by visiting [www.FREEMOBILEUSA.com](http://www.FREEMOBILEUSA.com). If you are having difficulty receiving your monthly allotment of minutes or

you are having difficulty loading an airtime card, please call Technical Customer Care at 1-855-281-9333.

5. **TEXT MESSAGING.** You may use your free monthly allotment of minutes to send and/or open text messages. Text messages sent to you by FREE MOBILE, INC are free of charge. The charge to send or open an incoming text message using your FREE MOBILE airtime card will vary depending upon your plan. Under the BASIC plan, you will be charged 0.3 minutes per text message for sending and 0.3 minutes per text message for opening a received text message. Under the PLUS and DELUXE plans, you will be charged 1 minute per text message for sending and 1 minute per text message for opening a received text message. If you have exhausted your free monthly allotment of minutes, you will need to purchase and redeem additional airtime minutes in order to continue to send text messages and open incoming text messages and to place and receive voice calls. If you do not want minutes deducted from your FREE MOBILE airtime card for text messaging, then do not send text messages or open incoming text messages. FREE MOBILE, INC does not allow international text messages. Attempting to send international messages could result in service deactivation and de-enrollment from the FREE MOBILE Program. Please note that FREE MOBILE, INC does not generally participate in Premium SMS services or campaigns. Premium SMS refers to text messages that are sent to a designated "short code" or buying or attempting to buy SMS services from anyone other than FREE MOBILE, INC. Premium SMS campaigns include activities such as casting a vote, expressing your opinion, playing a game, subscribing to a service, or interactive television programs. You should not attempt to participate in Premium SMS campaigns unless it is a FREE MOBILE, INC authorized campaign. Any text message you send to a "short code" will in all likelihood not go through. Any charges you may incur as a result of any attempts to participate in Premium SMS services or campaigns not authorized by FREE MOBILE, INC are not refundable whether you incur charges as deductions from your FREE MOBILE airtime card or from your credit or debit card.

6. **INTERNATIONAL CALLING.** International calling is available only if you are enrolled in the BASIC plan. If you selected the BASIC plan, you may use your FREE MOBILE airtime card to make international calls to landlines and some cellular phones in some countries at no additional charge (see [www.FREEMOBILEUSA.com](http://www.FREEMOBILEUSA.com) for available countries, details, and dialing instructions). The countries where international calling is available under the BASIC plan are subject to change at any time without prior notice. Airtime deductions for international calls begin the moment the number is dialed and apply to dropped calls, misdialed numbers and busy destination numbers. When placing international calls, you may experience connection failures more frequently than calls made within the United States. FREE MOBILE, INC will not credit airtime minutes deducted for unsuccessful calls. You will not be able to make or receive calls on your FREE MOBILE airtime card when you are located outside of the United States, Puerto Rico or the U.S. Virgin Islands (the "Coverage Area"). Any attempt to make or receive calls when you are located outside of the Coverage Area could result in service deactivation and de-enrollment from the FREE MOBILE Program.

7. **AIRTIME CARDS.** Your FREE MOBILE airtime card will only operate when you have airtime minutes available on the FREE MOBILE airtime card. If you run out of your free monthly allotment of airtime, you may purchase and add additional airtime to your SIM card. See the instructions above for adding airtime. FREE MOBILE customers may purchase airtime at the rate of 10¢ per unit. FREE MOBILE reserves the right to adjust its airtime rates at any time in its sole discretion.

8. **SERVICE END DATE, DEACTIVATION AND REACTIVATION.** As a FREE MOBILE, INC customer, You will receive up to 365 service days upon Your enrollment and activation in the FREE MOBILE Program and up to another 365 service days following each successful annual verification for your continued program eligibility in the FREE MOBILE Program. If you fail to complete your annual verification within 30 days of the required verification date, you will be de-enrolled from the FREE MOBILE Program subject to a 30-day de-enrollment notice. Upon de-enrollment from the FREE MOBILE Program, you will cease receiving the free monthly allotment of airtime. If you are de-enrolled, your airtime card will remain active and you may continue to use your airtime card so long as you have available airtime minutes and service days remaining on your airtime card. You may purchase airtime and service days to keep your service active. If

you are de-enrolled from the FREE MOBILE Program and You allow your remaining service days to expire or go "past due," Your service will be deactivated, you may lose your unused minutes and you will lose your wireless telephone number. If you choose to reactivate your airtime card by completing the annual verification within 60 days after your verification due date, you will be re-enrolled in the program and continue receiving the free monthly allotment of airtime. If your service is deactivated, you may reactivate your service by either re-enrolling in the FREE MOBILE Program (if eligible) or purchasing and redeeming a FREE MOBILE airtime card with service days. Upon reactivation of your airtime card, you may be assigned a new telephone number. Any airtime remaining on your handset at the time of deactivation will be reinstated if your airtime card is reactivated within 60 days from the deactivation date. If your airtime card remains inactive for more than 60 days, you will lose any remaining airtime. If you have been de-enrolled from the FREE MOBILE Program and are not eligible to re-enroll but you wish to keep your service active, You must purchase and redeem additional airtime and service days before the "Service End Date". To prevent any interruption in your service, please keep your handset service active by timely completing your annual verification as required by the FREE MOBILE Program or, if no longer eligible, by purchasing and adding FREE MOBILE airtime cards before your Service End Date. "No Usage" De-Enrollment and Deactivation: Regardless of the Service End Date displayed on your handset, if you exceed 2 months without any Usage (as defined in this section), You will be de-enrolled from the FREE MOBILE Program. "Usage" is defined as any transaction including, but not limited to, making or receiving a call, sending or opening a text message, downloading data content, adding airtime or receiving Your free monthly airtime. Upon de-enrollment for non-Usage, You will have up to a 30 day grace period to reenroll in the FREE MOBILE Program by calling 1-855-281-9333. If you do not re-enroll, use your phone or call FREE MOBILE Customer Care within 30 days of your de-enrollment, your service will be deactivated. In order to reactivate your FREE MOBILE airtime card and re-enroll in the FREE MOBILE Program, you will need to call FREE MOBILE Customer Care. Upon successful re-enrollment, you will receive the monthly minutes that you were entitled to receive through the date your enrollment was cancelled. You will not, however, receive any airtime for the period of time you were not enrolled in the FREE MOBILE Program. In addition, you will be assigned the service days, which are the days you were granted when first enrolled in the program.

9. OUR RIGHT TO TERMINATE YOUR FREE MOBILE, INC SERVICE. You agree not to give away, resell or offer to resell the FREE MOBILE airtime card or Service provided by the FREE MOBILE Program. You also agree your FREE MOBILE airtime card will not be used for any other purpose that is not allowed by this agreement or that is illegal. WE CAN, WITHOUT NOTICE, LIMIT, SUSPEND, OR END YOUR SERVICE AND DE-ENROLL YOU FROM THE FREE MOBILE PROGRAM FOR VIOLATING THIS PROVISION OR FOR ANY OTHER GOOD CAUSE, including, but not limited to, if You: (a) violate any of the terms and conditions of service; (b) lie to us or attempt to defraud us; (c) allow anyone to tamper with your FREE MOBILE airtime card; (d) threaten or commit violence against any of our employees or customer service representatives; (e) use vulgar and/or inappropriate language when interacting with our representatives; (f) steal from us; (g) harass our representatives; (h) interfere with our operations; (i) engage in abusive messaging, emailing or calling; (j) modify your device from its manufacturer's specification; or (k) use the service in a way that adversely affects our network or the service available to our other customers. We reserve the right to, without notice, limit, suspend or end your service for any other operational or governmental reason. In addition to permanently terminating your Service, criminal offenses (i.e., selling or giving away your Service; threatening violence, etc.) will be reported to the appropriate legal authorities for prosecution.

10. UNAUTHORIZED USAGE; TAMPERING. The FREE MOBILE, INC airtime card is provided exclusively for use by you, the end consumer with the FREE MOBILE, INC Service available solely in the United States, Puerto Rico and the U.S. Virgin Islands. Any other use of your FREE MOBILE, INC handset, including without limitation, any resale, unlocking and/or re-flashing of the handset is unauthorized and constitutes a violation of your agreement with FREE MOBILE. You agree not to unlock, re-flash, tamper with or alter your FREE MOBILE airtime card or its software, enter unauthorized PIN's, engage in any other unauthorized or illegal use of your FREE MOBILE airtime card or the Service, or assist others in such acts, or to sell and/or export FREE MOBILE, INC airtime cards and handsets outside of the United States. These

acts violate FREE MOBILE'S rights and state and federal laws. Improper, illegal or unauthorized use of your FREE MOBILE airtime card is a violation of this agreement and may result in immediate discontinuance of Services and legal action against you. FREE MOBILE will prosecute violators to the full extent of the law. You agree that any violation of this agreement through your improper, illegal or unauthorized use or sale of your FREE MOBILE airtime card shall entitle FREE MOBILE to recover liquidated damages from you in an amount of not less than \$5,000 per FREE MOBILE, INC airtime card or handset purchased, sold, acquired or used in violation of this agreement. You agree to safeguard your airtime card and not to allow any unauthorized person to use it. You agree not to allow any other person to, directly or indirectly alter, bypass, copy, deactivate, remove, reverse-engineer or otherwise circumvent or reproduce the encoded information stored on, or the encryption mechanisms of, your airtime card. You can remove your airtime Card from your phone and place in any other GSM compatible phone so long as it's for your use only. The Carriers, FREE MOBILE, or its service providers, may, from time to time, remotely update or change the encoded information on your airtime card. Your FREE MOBILE airtime card is restricted from operating when you are located anywhere outside of the United States, Puerto Rico or the U.S. Virgin Islands, including offshore or in international waters. Any such calls are considered unauthorized usage by FREE MOBILE for which your service will be immediately suspended. In the event of suspension for this or any other unauthorized usage, you will not be entitled to receive any refunds for unused airtime.

**11. COVERAGE MAPS AND ROAMING.** You will find coverage maps on our website at [www.FREEMOBILE.com](http://www.FREEMOBILE.com). These maps are for general informational purposes only. Actual coverage and service areas may vary from the maps and may change without notice. FREE MOBILE does not guarantee coverage or service availability. Even within a coverage area, factors such as terrain, weather, structures, foliage, signal strength, traffic volumes, service outages, network changes, technical limitations, and your equipment may interfere with actual service, quality and availability. "Roaming" occurs when a subscriber of one wireless service provider uses the facilities of another wireless service provider. Roaming most often occurs when you make and receive calls outside of the network coverage area of your service provider. When your FREE MOBILE airtime card is roaming, you will not be able to access service.

**12. LIMITATIONS OF SERVICE AND USE OF EQUIPMENT.** Service is subject to transmission limitations caused by certain equipment and compatibility issues, atmospheric, topographical and other conditions. Further, service may be temporarily refused, limited, interrupted or curtailed due to system capacity limitations, technology migration or limitations imposed by the Carrier, or because of equipment modifications, upgrades, repairs or relocations or other similar activities necessary or proper for the operation or improvement of the Carrier's radio telephone system. At anytime, FREE MOBILE reserves the right to substitute and/or replace any FREE MOBILE WIRELESS equipment (including handsets) with other FREE MOBILE, INC equipment including handsets of comparable quality. Some functions and features referenced in the Manufacturer's manual for a particular FREE MOBILE, INC handset may not be available on your phone. FREE MOBILE does not warrant or guarantee availability of network or of any Services at any specific time or geographic location or that the Services will be provided without interruption. Neither FREE MOBILE, nor any Carrier, shall have any liability for service failures, outages or limitations of Service. Because of the risk of being struck by lightning, you should not use your FREE MOBILE airtime card or handset outside during a lightning storm.

**13. WARRANTY EXCHANGE AND LOST OR STOLEN SIM CARD AND PHONE POLICY.** Limited Warranty Exchange Policy: FREE MOBILE, INC customers shall have up to one year from the activation date of their phone to return any defective phone or airtime card to FREE MOBILE. FREE MOBILE will exchange a defective phone or airtime card, if purchased through FREE MOBILE, INC, for a new or refurbished phone, or airtime card at FREE MOBILE's discretion, during this period of time only pursuant to the terms of the Limited Warranty set forth below. For a defective phone or airtime card replacement, call FREE MOBILE, INC Customer Care at 1-855-281-9333. Lost or Stolen Phone and Airtime Card Policy: For any lost or stolen FREE MOBILE airtime card or phone, you may request and receive only one replacement airtime card or phone per customer. The replacement airtime card or phone will be refurbished. All reported lost and

stolen airtime cards or phones will be permanently deactivated. Any additional airtime that you may have had on your lost phone will not be replaced. In the event you lose your replacement airtime card or phone or it is stolen, you will need to purchase an additional airtime card or phone. If an airtime card or phone is lost or stolen while in transit to the customer before the customer receives the phone, the lost phone and airtime card may be replaced as a onetime courtesy in FREE MOBILE's sole discretion.

14. **DISCLAIMER OF WARRANTIES.** EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN THESE TERMS AND CONDITIONS, AND TO THE EXTENT PERMITTED BY LAW, THE SERVICES AND DEVICES ARE PROVIDED ON AN "AS IS" AND "WITH ALL FAULTS" BASIS AND WITHOUT WARRANTIES OF ANY KIND. WE MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE CONCERNING YOUR SERVICE OR YOUR DEVICE. WE CANNOT PROMISE UNINTERRUPTED OR ERROR-FREE SERVICE AND DO NOT AUTHORIZE ANYONE TO MAKE ANY WARRANTIES ON OUR BEHALF. WE DO NOT GUARANTEE THAT YOUR COMMUNICATIONS WILL BE PRIVATE OR SECURE; IT IS ILLEGAL FOR UNAUTHORIZED PEOPLE TO INTERCEPT YOUR COMMUNICATIONS, BUT SUCH INTERCEPTIONS CAN OCCUR.

15. **HEARING, VISUAL OR SPEECH IMPAIRED ACCOMMODATIONS.** Any hearing, visual or speech impaired persons interested in applying for a specially equipped FREE MOBILE, INC must call FREE MOBILE, INC at 1-855-281-9333 and specify the need(s) to an agent and FREE MOBILE will make every effort to assist such customer in obtaining an airtime card that is in compliance with all applicable laws, rules, and regulations.

16. **EMERGENCY CALLS.** FREE MOBILE, INC customers have access to 911. Occasionally, however, callers may attempt to call 911 in areas where there is no wireless coverage. If there is no wireless coverage, your call to 911 may not go through and You should dial 911 from the nearest landline phone.

17. **DATA SERVICES.** With certain FREE MOBILE airtime card models, you can download ring tones, graphics, access information services such as news, weather and sports ("Information Services") and utilize multi-media messaging services ("MMS") (ringtones, graphics, Information Services and MMS are collectively referred to as "Data Services") through our Wireless Mobile Web ("WAP"). Data Services are additional Services offered by us at an additional charge depending on the plan chosen.

**Accessing and Purchasing Data Services.** In order to purchase, download or access Data Services, your handset must have active service under a plan that offers data service. Access Charges begin when your handset makes a data connection. This should occur shortly after you open your browser, send or receive a multi-media message (e.g., a picture), initiate a content download, view subscribed Information Services or if WAP access is initiated for any other purpose. Access Charges end when the data connection terminates. This should occur shortly after you close your browser, successfully receive or send a multi-media message (e.g., a picture), after a successful content download or after any other closure of a WAP session. The WAP access duration and the related Access Charges are NOT determined from the exact moment you press a button on your handset to open or close the browser. In addition to the Access Charges, there will be an additional one-time charge for any content you select to download ("Content Charge"). The Content Charges vary depending on the type of content. You will be advised of the Content Charges prior to finalizing your purchase. The Data Services you purchase and download may only be used or viewed on the airtime card for which they were purchased. Data Services are non-refundable and non-transferable. **Purchase Options for Data Services:** You may purchase Data Services either through your handset's WAP browser or through the Internet (accessed with a personal computer) at [www.FREEMOBILEUSA.com](http://www.FREEMOBILEUSA.com). When you purchase Data Services from the Internet at [www.FREEMOBILEUSA.com](http://www.FREEMOBILEUSA.com), the Content Charge will be shown in both U.S. Dollars and in minutes. You will have the opportunity to select one of two payment options: (1) using a credit card to pay the purchase price shown, or (2) a direct deduction of minutes from your FREE MOBILE, INC airtime card. If you buy a FREE MOBILE card the number of minutes to be charged is based on the last airtime card added to your account. See Purchasing Data Services With Airtime Minutes below. **How to purchase from the Internet:** Go to [www.FREEMOBILEUSA.com](http://www.FREEMOBILEUSA.com) and enter your FREE MOBILE, INC SIM card number and FREE MOBILE, INC Number. This will take you to the Wireless Data Services content catalog where you can

browse. You may not purchase Data Services through your handset using a Credit card.

Charges for MMS (e.g., picture messaging). You will be charged 1.0 unit to send or receive a multi-media message (the "MMS Charge"). In addition to the 1.0 unit MMS Charge, there will also be an additional WAP Access Charge of 0.5 units per minute for the time it takes to send or receive the multi-media message. The total WAP Access Charge will vary depending on the size of the multi-media message being sent or received. Partial minutes will be rounded up. Additional Access Charges for Data Services. In addition to the Content Charges and MMS Charges, and regardless of the payment option you use, there is always an additional Access Charge of 0.5 units per minute associated with downloading content, accessing/viewing Information Services or utilizing MMS. Total Access Charges will vary depending on the size of the content and the actual time it takes to download the content, access/view the Information Service or utilize MMS. Modifications, Interruptions, or Discontinuation of Data Service. FREE MOBILE, INC does not guarantee the availability of Data Services on all of its phone models nor does it guarantee the availability of Data Services at all times. FREE MOBILE, INC reserves the right to modify, suspend, interrupt, discontinue or permanently cancel Data Services, or portions thereof, without notice. Data Services are not available in certain areas. FREE MOBILE, INC is not responsible and will not be liable for any modifications, interruptions or discontinuation of the Data Services or for any failure in receipt of the purchased Data Services. If the Data Services, or any part thereof, for which you subscribe, are modified, interrupted, discontinued or canceled, you will not receive a refund or credit from FREE MOBILE, INC for any remaining used or unused subscription time. If you cancel or attempt to cancel a Data Service download, a subscription purchase or a multi-media message in progress, or if this process is otherwise interrupted through no action on your part, you may nevertheless be charged in accordance with the terms and conditions set forth herein.

18. LIMITATION OF LIABILITY. FREE MOBILE, INC and FREE MOBILE are not liable to you for any direct or indirect, special, incidental, consequential, exemplary or punitive damages of any kind, including lost profits (regardless of whether it has been notified such loss may occur) by reason of any act or omission in its provision of equipment and/or Services. FREE MOBILE, INC and FREE MOBILE will not be liable for any act or omission of any other company furnishing a part of our Services or any equipment or for any damages that result from any service or equipment provided by or manufactured by third parties. When your FREE MOBILE airtime card is returned to FREE MOBILE, INC for any reason, FREE MOBILE is not responsible and shall not be liable to you or anyone else for any personal information such as user names, passwords, contacts, pictures, SMS, MMS and/or additional downloads you may have stored on your airtime card or which may remain on your phone, if you purchased a FREE MOBILE handset.

19. INDEMNIFICATION. You agree to indemnify and hold harmless FREE MOBILE, INC and FREE MOBILE from any and all liabilities, penalties, claims, causes of action, and demands brought by third parties (including the costs, expenses, and attorneys' fees on account thereof) resulting from your use of a FREE MOBILE airtime card and/or use of the FREE MOBILE, INC Services, whether based in contract or tort (including strict liability) and regardless of the form of action.

20. BINDING ARBITRATION. PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS RIGHTS THAT YOU MAY OTHERWISE HAVE. IT PROVIDES FOR RESOLUTION OF ALL DISPUTES AND CLAIMS (INCLUDING ONES THAT ALREADY ARE THE SUBJECT OF LITIGATION), EXCEPT FOR CLAIMS CONCERNING THE UNAUTHORIZED RESALE, EXPORT, ALTERATION, AND/OR TAMPERING OF YOUR FREE MOBILE AIRTIME CARD, ITS SOFTWARE, THE SERVICE AND/OR PIN NUMBERS, THROUGH ARBITRATION INSTEAD OF SUING IN COURT IN THE EVENT THE PARTIES ARE UNABLE TO RESOLVE A DISPUTE OR CLAIM. ARBITRATION IS BINDING AND SUBJECT TO ONLY A VERY LIMITED REVIEW BY A COURT. THIS ARBITRATION CLAUSE SHALL SURVIVE TERMINATION OF FREE MOBILE™ AGREEMENT WITH YOU. This provision is intended to encompass all disputes or claims arising out of your relationship with FREE MOBILE, arising out of or relating to the FREE MOBILE Service or any equipment used in connection with the FREE MOBILE Service (whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory). Nothing contained in this arbitration provision shall preclude FREE MOBILE from bringing claims concerning the unauthorized

resale, export, alteration, and/or tampering of your FREE MOBILE airtime card, its software, the FREE MOBILE Service and/or PIN numbers, in state or federal court. References to you and FREE MOBILE include our respective subsidiaries, affiliates, predecessors in interest, successors, and assigns. All claims, except those excluded above, will be resolved by binding arbitration where permitted by law. You must first present any claim or dispute to FREE MOBILE by contacting Customer Care to allow an opportunity to resolve the dispute prior to initiating arbitration. The arbitration of any dispute or claim shall be conducted in accordance with the American Arbitration Association ("AAA") under the Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules"), as modified by this agreement. The AAA Rules are available online at [www.adr.org](http://www.adr.org) or by calling the AAA at 1-800-778-7870. You and FREE MOBILE agree that use of the FREE MOBILE Service evidences a transaction in interstate commerce and this arbitration provision will be interpreted and enforced in accordance with the Federal Arbitration Act and federal arbitration law. All issues are for the arbitrator to decide, including the scope of this arbitration clause, but the arbitrator is bound by the terms of this agreement. You and FREE MOBILE agree that any arbitration will be conducted on an individual basis and not on a consolidated, class wide or representative basis. Further, you agree that the arbitrator may not consolidate proceedings or more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding, and if this preclusion of consolidated, class wide or representative proceedings is found to be unenforceable, then this entire arbitration clause shall be null and void. All fees and expenses of arbitration will be divided between you and FREE MOBILE in accordance with the AAA Rules, except that FREE MOBILE will reimburse you for the amount of the filing fee in the event you prevail in the arbitration. Each party will bear the expenses of its own counsel, experts, witnesses, and preparation and presentation of evidence. If for any reason this arbitration provision is deemed inapplicable or invalid, or to the extent this arbitration provision allows for litigation of disputes in court, you waive to the fullest extent permitted by law, (i) the right to a trial by jury and (ii) any claims for punitive or exemplary damages. Unless FREE MOBILE and you agree otherwise, the location of any arbitration shall be in the state of Texas. Except where prohibited by law, FREE MOBILE and you agree that no arbitrator has the authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Neither you nor FREE MOBILE shall disclose the existence, contents, or results of any arbitration, except to the extent required by law. Judgment on the award rendered may be entered by any court of competent jurisdiction. This Agreement shall be construed under the laws of Texas, without regard to its choice of law rules, except for the arbitration provision contained in these Terms and Conditions, which will be governed by the Federal Arbitration Act. This governing law provision applies no matter where You reside, or where You use or pay for the Services.

21. **PRIVACY POLICY.** To view the FREE MOBILE, INC Privacy Policy please refer to the FREE MOBILE, INC website found at [www.FREEMOBILE.COM](http://www.FREEMOBILE.COM)

22. **LIMITED WARRANTY.** Your FREE MOBILE airtime card is covered by a one year limited warranty, set forth below, administered by FREE MOBILE. A reconditioned FREE MOBILE airtime card also has a one year limited warranty provided by FREE MOBILE and all FREE MOBILE accessories have a 90-day limited warranty against defects in materials and workmanship under normal use by the purchaser. You may obtain warranty service directly from FREE MOBILE. How to obtain Warranty Service. To obtain warranty service from FREE MOBILE on a new or reconditioned phone or FREE MOBILE accessories, please contact Technical Support at 1-855-281-9333 from a landline or another phone in order to avoid using up your minutes. If your problem cannot be resolved over the phone, our FREE MOBILE technicians will provide you with a Ticket Number, which you will use to send your phone and/or accessories to the designated FREE MOBILE Service Center for repair or replacement, at FREE MOBILE's discretion. Terms of Limited Warranty. FREE MOBILE warrants to you, the Customer, that your FREE MOBILE airtime card, and cellular phone, if you choose to purchase a FREE MOBILE handset ("Product") is free from defects in material and workmanship that result in Product failure during normal usage, according to the following terms and conditions: (1) The limited warranty for the Product extends for one (1) year beginning on the first date of activation of your airtime card. (2) The limited warranty extends only to the original customer

("Consumer") of the Product. (3) The limited warranty is not assignable or transferable to any subsequent end-user. (4) During the limited warranty period, FREE MOBILE will replace or repair, at FREE MOBILE's sole option, any defective Products or parts (except as excluded below), or any Products or parts that will not properly operate for their intended use (except as excluded below) with new or refurbished replacement Products or parts if such replacement or repair is needed because of Product malfunction or failure during normal usage. FREE MOBILE may, at its sole discretion, replace the Product with a refurbished airtime card of the same model if available, or if not available, of a comparable model. The limited warranty does not cover loss of personal information, passwords, contacts, music, ringtones, pictures, videos, applications or other content, memory cards, software, defects in appearance, cosmetic, decorative or structural items, including framing, and any non-operative parts. FREE MOBILE's limit of liability under this limited warranty is the actual cash value of the Product at the time the Consumer returns the Product to FREE MOBILE for repair, determined by the price paid by the Consumer for the Product less a reasonable amount for usage. FREE MOBILE shall not be liable for any other losses or damages. These remedies are the Consumer's exclusive remedies for breach of warranty. (5) The Consumer shall have no coverage or benefits under this limited warranty if any of the following conditions are applicable: a) The Product has been subjected to abnormal use, abnormal conditions, improper storage, exposure to moisture or dampness, unauthorized modifications, unauthorized connections, unauthorized repair, misuse, neglect, abuse, accident, alteration, improper installation, or other acts which are not the fault of FREE MOBILE, including damage caused by shipping. b) The Product has been damaged from external causes such as collision with an object, or from fire, flooding, sand, dirt, windstorm, lightning, earthquake or damage from exposure to weather conditions, an Act of God, or battery leakage, theft, blown fuse, or improper use of any electrical source, damage caused by computer or internet viruses, bugs, worms, Trojan Horses, cancelbots or damage caused by the connection to other products not recommended for interconnection by FREE MOBILE. c) FREE MOBILE was not advised in writing by the Consumer of the alleged defect or malfunction of the Product within fourteen (14) days after the expiration of the applicable limited warranty period. d) The Product serial number plate or the enhancement data code has been removed, defaced or altered. e) The defect or damage was caused by the defective function of the cellular system or by inadequate signal reception by the external antenna, or viruses or other software problems introduced into the Product. f) The Product is outside of the one (1) year Limited Warranty period. (6) FREE MOBILE does not warrant uninterrupted or error-free operation of the Product or service. FREE MOBILE cannot and does not guarantee that your communications will be private or secure; it is illegal for unauthorized people to intercept your communications, but such interceptions can occur. (7) If a problem develops during the limited warranty period, the Consumer shall contact FREE MOBILE Customer Care for repair or replacement processing of the Product. FREE MOBILE shall, at its discretion, provide a replacement product that may consist of a refurbished airtime card of the same model if available, or of a comparable model. (8) You (the Consumer) understand that the product may consist of refurbished equipment that contains used components, some of which have been reprocessed. The used components comply with Product performance and reliability specifications. (9) FREE MOBILE EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR USE. THE FOREGOING LIMITED WARRANTY IS THE CONSUMER'S SOLE AND EXCLUSIVE REMEDY AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. FREE MOBILE SHALL NOT BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED BENEFITS OR PROFITS, LOSS OF SAVINGS OR REVENUE, LOSS OF DATA, PUNITIVE DAMAGES, LOSS OF USE OF THE PRODUCT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF ANY SUBSTITUTE EQUIPMENT OR FACILITIES, DOWNTIME, THE CLAIMS OF ANY THIRD PARTIES, INCLUDING CUSTOMERS, AND INJURY TO PROPERTY, RESULTING FROM THE PURCHASE OR USE OF THE PRODUCT OR ARISING FROM BREACH OF THE WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT TORT, OR ANY OTHER LEGAL OR EQUITABLE THEORY, EVEN IF FREE MOBILE KNEW OF THE LIKELIHOOD OF SUCH DAMAGES. FREE MOBILE SHALL NOT BE LIABLE FOR DELAY IN RENDERING SERVICE UNDER THE LIMITED WARRANTY, LOSS OF USE DURING THE PERIOD THAT THE PRODUCT IS RETURNED FOR REPLACEMENT OR WARRANTY SERVICE OR FOR THE LOSS OR UNAUTHORIZED USE OF CUSTOMER PASSWORDS, PERSONAL INFORMATION, CONTACTS, PICTURES, VIDEOS, APPLICATIONS, MUSIC, RINGTONES OR OTHER CONTENT. (10) Some states do not allow the

exclusion or limitation of incidental and consequential damages, so certain of the above limitations or exclusions may not apply to you (the Consumer). This limited warranty gives the Consumer specific legal rights and the Consumer may also have other rights which vary from state to state. (11) FREE MOBILE neither assumes nor authorizes any authorized service center or any other person or entity to assume for it any other obligation or liability beyond that which is expressly provided for in this limited warranty including the provider or seller of any extended warranty or service agreement. (12) This is the entire warranty between FREE MOBILE and the Consumer, and supersedes all prior and contemporaneous agreements or understandings, oral or written, relating to the Product, and no representation, promise or condition not contained herein shall modify these terms. (13) This limited warranty allocates the risk of failure of the Product between the Consumer and FREE MOBILE. The allocation is recognized by the Consumer and is reflected in the purchase price. Certain mobile phone features may not be available throughout the entire network or their functionality may be limited. All plan rates, features, functionality and other product specifications are subject to change without notice or obligation. Color of airtime cards and phones may vary. All talk and standby times are quoted in Digital Mode and are approximate. FREE MOBILE, and FREE MOBILE, INC, are registered trademarks of FREE MOBILE, Inc.

**Exhibit E**  
Key Management Resumes

Received & Inspected  
NOV 20 2012  
FCC Mail Room

NOV 20 2012

FCC Mail Room

Kevin Haddad  
Founder and CEO, Free Mobile, Inc. and Ztar Mobile, Inc.

In 2012, Kevin Haddad founded Free Mobile and serves as Chief Executive Officer. Since 2003, Kevin Haddad has served as President and Chief Executive Officer and Founder of Ztar Mobile.

Ztar Mobile is the preferred partner who provides our global retail client base with products, services, distribution, innovation, marketing and merchandising in order to deliver consumers a full suite of wireless products & services, mobile banking, and consumer offers. Mr. Haddad has distinguished himself through his comprehensive diversified experience in marketing and business development experience in wireless telecommunication.

Prior to start Ztar Mobile, Mr. Haddad was the Director of Professional Services at Nokia and Samsung Telecommunications where he played a strategic role in the development of technology and business models that enable operators and technology providers to deploy mobile services and applications. Mr. Haddad focused on the consultative selling of wireless Internet applications, products, solutions, and consultative services to fortune 500 enterprises, wireless carriers, and ASP. Mr. Haddad provided business and technical consulting to enterprises striving to extend their product and services to reach their mobile customers and employees.

Prior to Nokia, Kevin was with Nortel Networks where he was responsible for product marketing for GSM Networks voice/data and wireless terminal operations. Prior to Nortel, Mr. Haddad worked at Texas Instruments, responsible for concept and product design of mobile terminal device with GPS for assets tracking.

Kevin has a M.S. in Telecommunications Management from Southern Methodist University and a B.S. in Electrical Engineering from University of Texas, Arlington.

**Exhibit F**

Proposed Lifeline Rate Plans

Received & Inspected  
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Received & Inspected

NOV 20 2012

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	Basic	Plus	Deluxe	Elite	Elite Plus	Elite Platinum
<b>Mins</b>	68	125	250	Unlimited	Unlimited	Unlimited
<b>Text</b>	3:1	1:1	n/a	Unlimited	Unlimited	Unlimited
<b>Rollover?</b>	Unlimited	90 days	n/a	n/a	n/a	n/a
<b>Web</b>	n/a	n/a	n/a	n/a	200mb	600mb
<b>Overage Per Min</b>	\$ 0.10	\$ 0.10	\$ 0.10	n/a	n/a	n/a

Local Calls	X	X	X	X	X	X
Nationwide Long Distance	X	X	X	X	X	X
Voicemail, Caller ID	X	X	X	X	X	X
Call Waiting, 3-way Calling	X	X	X	X	X	X
Nationwide Text	X	X	X	X	X	X
Free 911	X	X	X	X	X	X
Free 611	X	X	X	X	X	X
Free 411	X	X	X	X	X	X
Rollover	X	X				

<b>Cost</b>	\$ 9.25	\$ 9.25	\$ 9.25	\$ 44.25	\$ 54.25	\$ 64.25
<b>Federal Subsidy</b>	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
<b>Lifeline Consumer Cost</b>	\$ -	\$ -	\$ -	\$ 35.00	\$ 45.00	\$ 55.00

**Exhibit G**  
Training Manual

Received & Inspected  
NOV 20 2012  
FCC Mail Room