

# AT&T's Anti-Consumer Actions in the Online Distribution Channel

September 27, 2011

 **SIMPLEXITY.**



## Background on Simplexity's Business

- Largest independent online provider of wireless activations and handsets, including all the latest smartphones except iPhone
- Operates own Web site, Wirefly.com, and manages the online wireless experience for many national retailers, such as RadioShack, Target, Sam's Club, Kmart, and Sears, and for name-brand handset makers, including Motorola and Nokia
- Earns sales commissions from wireless carriers based on acquiring customers for the carriers and receives development funds from handset makers
- The only other specialty online retailer like Simplexity is LetsTalk.com
- ***Online activation has been among the fastest growing sales channels for wireless service, just as e-commerce generally is one of the brightest growth areas for the economy***



## How Simplicity Benefits Consumers

- **Convenience—**
  - Offers 24/7 online venues where consumers can shop when and with whom they wish, including with their favorite retailers
- **Selection—**
  - Provides one-stop shopping for consumers to check out and compare all wireless handsets (other than the iPhone), all rate plans of the major carriers, and all other features and service offerings of the major carriers
- **Pricing—**
  - Able to reduce costs of doing business through technological efficiencies, low overhead, and no bricks-and-mortar expense, thus providing value to retailer partners and lower pricing of handsets for consumers





SHOW PRICES WITH:

- New Account Contract
- Renew/Upgrade My Account
- Add More Lines to My Account
- Replacement Phone / No Contract
- Prepaid Devices / No Contract

FILTER PHONES

Phones in Selection: 109

CARRIER

- Verizon Wireless
- Sprint
- T-Mobile
- Nextel
- Unlocked Phones

MANUFACTURER

- BlackBerry
- Dell
- HTC
- LG
- Nokia
- Palm
- Samsung
- Sierra Wireless
- T-Mobile
- ZTE
- Casio
- Franklin
- Kyocera
- Motorola
- Novatel
- Pantech
- Sanyo
- Sony Ericsson
- Verizon Wireless













PRICE

- FREE
- \$0.01 - \$49.99
- \$50.00 - \$99.99
- Over \$100

Viewing 1 - 60 of 109

View as:  List  Thumbnails

1 2 Next

 <p><b>BlackBerry Curve 3G 9300 Gray for T-Mobile</b> <b>FREE</b> with a new T-Mobile account</p> <p><input type="button" value="SELECT »"/></p>	 <p><b>BlackBerry Curve 3G 9330 Gray for Verizon Wireless</b> <b>FREE</b> with a new Verizon Wireless account</p> <p><input type="button" value="SELECT »"/></p>	 <p><b>BlackBerry Curve 9330 Graphite Gray for Sprint</b> <b>Free Activation</b> <b>FREE</b> with a new Sprint account</p> <p><input type="button" value="SELECT »"/></p>	 <p><b>BlackBerry Curve 9330 Royal Purple for Sprint</b> <b>Free Activation</b> <b>FREE</b> with a new Sprint account</p> <p><input type="button" value="SELECT »"/></p>
 <p><b>BlackBerry Storm2 9550 Black for Verizon Wireless</b> <b>FREE</b> with a new Verizon Wireless account</p> <p><input type="button" value="SELECT »"/></p>	 <p><b>CASIO GzOne Commando for Verizon Wireless</b> <b>FREE</b> with a new Verizon Wireless account</p> <p><input type="button" value="SELECT »"/></p>	 <p><b>Casio GzOne Ravine for Verizon Wireless</b> <b>FREE</b> with a new Verizon Wireless account</p> <p><input type="button" value="SELECT »"/></p>	 <p><b>DROID INCREDIBLE 2 by HTC for Verizon Wireless</b> <b>Special Price</b> with a new Verizon Wireless account</p> <p><input type="button" value="SELECT »"/></p>
 <p><b>DROID X by Motorola for Verizon Wireless</b> <b>FREE</b> with a new Verizon Wireless account</p>	 <p><b>HTC EVO Shift 4G for Sprint</b> <b>Free Activation</b> <b>FREE</b> with a new Sprint account</p>	 <p><b>HTC Trophy for Verizon Wireless</b> <b>FREE</b> with a new Verizon Wireless account</p>	 <p><b>HTC Wildfire S White for T-Mobile</b> <b>FREE</b> with a new T-Mobile account</p>

**EXTENDED!** **FREE OVERNIGHT SHIPPING** all phones w/ 2-yr contract  
Covers must be placed and approved by 3:00pm PST to arrive the following day



Cell Phones | Service Plans | Accessories | Wireless Cards | Digital TV | Learn More

All Plans | Individual Plans | Family Plans | Prepaid Plans | Add Additional Line(s) | Upgrade Your Phone

## Add a HTC Cell Phone

**\$ Why buy from us?** Free Shipping + Huge Discounts + No Sales Tax = **\$50-\$150 less than the carrier!**

Choose: All Carriers | HTC | Shop by Feature | Any Price | [Advanced Filter](#)

Phone Name	Carrier	Carrier Price	Our Price
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**Hot Deal!**

**DROID INCREDIBLE 2 by HTC (Verizon Wireless)**  
User Rating 3.9 ★★★★★

- Android™ 2.3 OS
- 8 MP Rear Camera and 1.3 MP Front-Facing Camera
- 16GB Pre-installed microSD Card
- 4" WVGA Capacitive Touchscreen

Verizon Wireless's price: \$199.99

**Click to See Price**

[Add to Cart](#)  
In Stock

**HTC Wildfire S - White (T-Mobile)**  
User Rating 4.6 ★★★★★

- Android™ 2.3 (Gingerbread) Platform
- 3.2" Capacitive Touchscreen
- 5MP Camera with Auto Focus & Auto Flash
- Wi-Fi Calling & Mobile Hotspot

T-Mobile's price: \$79.99

**Our Price: \$0.00**

[Add to Cart](#)

**HTC EVO 4G with Google (Sprint)**  
User Rating 4.1 ★★★★★

- 1 GHz Snapdragon Processor
- 4.2" 480 x 800 WVGA OLED Touchscreen
- 30 Mbps Data Speeds
- 5MP Camera w/ Dual LED Flash + Video Capture

Sprint's price: \$99.99

**Our Price: \$9.99**


[Add to Cart](#)  
In Stock

- Android™ 2.2 OS
- 1.3 MP Front Facing Camera

**Our Price: \$9.99**

[Add to Cart](#)  
In Stock

Get the Sam's Club Tracker email and save even more!



Savings Made Simple | All Products | Click'n Pull | Shop by Business | My Sam's Club | Services

View Cart (0) | Customer Support

SHOW PRICES WITH

- New Account Contract
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- Prepaid Devices / No Contract

FILTER PHONES Reset

Phones In Selection: 11

CARRIER







- Verizon/Wireless
- Sprint
- T-Mobile
- Nextel
- AT&T


MANUFACTURER

- BlackBerry
- Casio
- Dell
- Franklin
- HTC
- Kyocera
- LG
- Motorola
- Novatel
- Palm
- Pantech
- Samsung

Viewing 1 - 11 of 11

View as:  List  Grid

 <p><b>MOTOROLA PHOTON 4G for Sprint</b> \$179.74 with a new Sprint account</p> <p><a href="#">Buy Now</a></p>	 <p><b>DROID X2 by MOTOROLA for Verizon Wireless</b> <b>Special Price</b> with a new Verizon Wireless account</p> <p><a href="#">Buy Now</a></p>	 <p><b>MOTOROLA TITANIUM for Nextel</b> \$119.74 with a new Nextel account</p> <p><a href="#">Buy Now</a></p>	 <p><b>Motorola XPRIME for Sprint</b> \$69 with a new Sprint account</p> <p><a href="#">Buy Now</a></p>
 <p><b>MOTOROLA ATRIX 4G for AT&amp;T</b> \$49.88 with a new AT&amp;T account</p> <p><a href="#">Buy Now</a></p>	 <p><b>Motorola Flipside for AT&amp;T</b> \$39.74 with a new AT&amp;T account</p> <p><a href="#">Buy Now</a></p>	 <p><b>MOTOROLA DROID X2 for Verizon Wireless</b> \$149.99 with a new Verizon Wireless account</p> <p><a href="#">Buy Now</a></p>	 <p><b>MOTOROLA DROID X2 for Verizon Wireless</b> \$149.99 with a new Verizon Wireless account</p> <p><a href="#">Buy Now</a></p>



Featured Deals | Free Phones | New Arrivals

POWERED BY SIMPLICITY

SHOW PRICES WITH

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- Renew/Upgrade My Account
- Add More Lines to My Account
- Replacement Phone / No Contract

FILTER PHONES Reset


Phones In Selection: 11

CARRIER

- Verizon/Wireless
- Sprint
- T-Mobile
- Nextel
- AT&T
- Unlocked Phones

MANUFACTURER

- BlackBerry
- Casio
- Dell
- Franklin
- HTC
- Kyocera
- LG
- Motorola
- Novatel
- Palm
- Pantech
- Samsung
- Sanyo



SALE | BATTERY FINDER | WEEKLY AD | IN-STORE CLEARANCE | TRADE & SAVE PROGRAM

SEARCH  [FIND IT](#)

CELL PHONES | PHONES & RADIO COMMUNICATIONS | TV & VIDEO | MUSIC & AUDIO | COMPUTERS & TABLETS | GPS & CAR | CAMERAS & CAMCORDERS | HOME & OFFICE | VIDEO GAMES & TOYS | HOBBY & DO-IT-YOURSELF

View Cart (0) | Customer Support | Contact Us

SHOW PRICES WITH

- New Account Contract
- Renew/Upgrade My Account
- Add More Lines to My Account
- Replacement Phone / No Contract

FILTER PHONES Reset

Phones In Selection: 15

CARRIER









- Sprint
- T-Mobile
- Nextel
- AT&T
- Unlocked Phones









MANUFACTURER

- BlackBerry
- Dell
- Franklin
- HTC
- Kyocera
- LG
- Motorola
- Nokia
- Novatel
- Pantech
- Samsung
- Sanyo
- Sierra Wireless
- T-Mobile

Viewing 1 - 16 of 16

View as:  List  Thumbnails

 <p><b>HTC EVO View 4G for Sprint</b> \$389.99 with a new Sprint account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>HTC Sensation 4G for T-Mobile</b> \$199.99 with a new T-Mobile account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>HTC EVO 3D for Sprint</b> \$199.99 with a new Sprint account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>T-Mobile myTouch 4G Slide Khaki for T-Mobile</b> \$149.99 with a new T-Mobile account</p> <p><a href="#">SELECT &gt;&gt;</a></p>
 <p><b>T-Mobile myTouch 4G Slide Black for T-Mobile</b> \$149.99 with a new T-Mobile account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>T-Mobile myTouch 4G White for T-Mobile</b> \$99.99 with a new T-Mobile account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>HTC Freestyle for AT&amp;T</b> \$99.99 with a new AT&amp;T account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>HTC Arrive for Sprint</b> \$99.99 with a new Sprint account</p> <p><a href="#">SELECT &gt;&gt;</a></p>

 <p><b>BlackBerry Bold 9930 for Verizon Wireless</b> \$199.99 with a new Verizon Wireless account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>BlackBerry Bold 9650 for Sprint</b> \$99.99 with a new Sprint account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>BlackBerry Bold 9700 White for T-Mobile</b> \$79.99 with a new T-Mobile account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>BlackBerry Bold 9700 Black for T-Mobile</b> \$79.99 with a new T-Mobile account</p> <p><a href="#">SELECT &gt;&gt;</a></p>
 <p><b>BlackBerry Torch Red for AT&amp;T</b> FREE with a new AT&amp;T account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>BlackBerry Torch 9600 for AT&amp;T</b> FREE with a new AT&amp;T account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>BlackBerry Storm2 9550 Black for Verizon Wireless</b> FREE with a new Verizon Wireless account</p> <p><a href="#">SELECT &gt;&gt;</a></p>	 <p><b>BlackBerry Curve 9330 Royal Purple for Sprint</b> FREE with a new Sprint account</p> <p><a href="#">SELECT &gt;&gt;</a></p>

Shop myAT&T Support Search

Bundles Wireless Digital TV Internet Home Phone U-verse Special Offers Shopping Help

Get live help placing your order. [Chat Now](#) [My Shopping Cart](#)

## Cell Phones & Mobile Devices

Shop our online selection of new or refurbished cell phones and devices and choose from a wide variety of styles and manufacturers on the AT&T ultra-fast 3G network. AT&T's selection includes the MOTOROLA FLIPSIDE (TM), LG Phoenix (TM), HTC Status (TM).

Showing 8 cell phones and mobile devices

**Filter Phones/Devices**

**Service Type**

Standard

GoPhone® Prepaid

**Condition**

All

New Phones

Refurbished

**Show Only**

Free Phones

**By Style**

All Styles

Flip Phones

PDK / Smartphones

USB Modems

Bar Phones

Slider Phones

Computers

Quick Messaging

Easy To Use

SIM Card

iPad

iPad 2

Tablets

Mobile Hotspots

**By OS**

Android

Apple

BlackBerry (BBM)

HP webOS

Symbian

Windows Phone

Windows for PC

**By Features**

Any Feature

3G-capable

4G-capable

Touch Screen





Wi-Fi

Full Keyboard

Camera

[Compare](#) Compare products by selecting two to five items listed below.

Sort by: [Select list order](#)

MOTOROLA FLIPSIDE (TM)	LG Phoenix (TM)	HTC Status (TM)	Samsung Captivate (TM)
			
<p><b>\$0.01</b></p> <p>waived free activation overnight shipping</p> <p><a href="#">Learn More</a></p> <p><small>Requires a minimum data service starting at \$15/month. 2 year contract &amp; new activation required.</small></p>	<p><b>\$29.99</b></p> <p>waived free activation overnight shipping</p> <p><a href="#">Learn More</a></p> <p><small>Requires a minimum data service starting at \$15/month. 2 year contract &amp; new activation required.</small></p>	<p><b>\$49.99</b></p> <p>waived free activation overnight shipping</p> <p><a href="#">Learn More</a></p> <p><small>Requires a minimum data service starting at \$15/month. 2 year contract &amp; new activation required.</small></p>	<p><b>\$49.99</b></p> <p>waived free activation overnight shipping</p> <p><a href="#">Learn More</a></p> <p><small>Requires a minimum data service starting at \$15/month. 2 year contract &amp; new activation required.</small></p>

**Exclusive online-only offers**

- Free shipping
- 30-day return policy
- Keep your existing number

**Current AT&T Customers**

[Upgrade](#)

[Add a Line](#)

## Examples of Simplicity's Pricing Benefits

Product Name	Carrier	Wirefly.com Price*	Carrier Price*
Motorola Bravo	AT&T	\$0.00	\$19.45
Samsung Captivate	AT&T	\$99.99	\$136.10
Samsung Intercept Satin Pink	Sprint	\$0.00	\$68.74
HTC Arrive	Sprint	\$99.99	\$199.99
T-Mobile myTouch 3G Black	T-Mobile	\$0.00	\$49.99
HTC HD7	T-Mobile	\$14.99	\$99.99
DROID INCREDIBLE by HTC	Verizon	\$0.00	\$99.99
Motorola DROID 2 Global	Verizon	\$36.66	\$133.33

\* Price as of March 2011





## Simplexity Has Enabled National Competition Among the Major Wireless Carriers

- Has provided growing independent online sales channel for head-to-head national competition among the four major carriers
- Until this year, the four major carriers vied with each other for priority placement and feature presentation on Simplexity sites through contract negotiations with Simplexity and its retailer clients
- Head-to-head comparison shopping on Simplexity sites promotes price competition among the major carriers
- **The geographic market for competition in online sales among the major carriers is national in scope**



## AT&T Has Acted to Suppress the Independent Online Marketing Channel

- AT&T terminated its relationships with Simplexity and LetsTalk and has demonstrated an intent to reduce and potentially eliminate independent online sales of its wireless service
  - AT&T was unwilling to negotiate a new contract with Simplexity, even on more advantageous terms
- As one reason, AT&T claimed that independent online retailers were “disruptive to the market” because they altered consumers’ expectations of pricing
- AT&T’s action has harmed consumers, competition, and Simplexity in several ways
- The acquisition of T-Mobile threatens to exacerbate these harms

