

APPENDIX A

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into by and between New Cingular Wireless PCS, LLC and its Wireless Affiliates ("Cingular") and the Utility Consumers' Action Network ("UCAN") (sometimes referred to collectively as the "Parties" or individually as a "Party"). This Agreement is made pursuant to the following terms and conditions:

DEFINITIONS

"Wireless Content Service" is digital content (a ringtone, graphic, game, etc.) or digital application (e-mail reader, weather tracker, etc.) sold by a Third Party for an incremental fee that is charged directly to a Cingular customer's bill or withdrawn directly from a Cingular customer's prepaid account.

"Wireless Content Service Provider" is the entity that either sells, or aggregates and sells, Wireless Content Service, depending on the identity of the provider and the nature of the obligation specified below.

"Wireless Content Service Subscriber" or "WCS Subscriber" is a person who orders Wireless Content Services.

"Commission" is the California Public Utilities Commission.

"Non-Comm Rules" refers to the Commission's Interim Decision No. 01-07-030, establishing rules governing the inclusion of non-communications-related charges on telephone bills.

"Third Party" is an entity not affiliated with Cingular.

"Wireless Affiliates" are the commercial mobile radio service carriers operating entities in California affiliated with Cingular and registered with the Commission. By way of example, at the time of this Agreement the Wireless Affiliates of New Cingular Wireless PCS, LLC (U-3060-C) are Cagal Cellular Communications Corporation (U-3021-C), Santa Barbara Cellular Systems, Ltd. (U-3015-C), and Visalia Cellular Telephone Company (U-3014-C).

RECITALS

A. On July 22, 2005, UCAN filed Case No. 05-07-022 before the Commission against Cingular alleging that Cingular was failing to comply with the Non-Com Rules and sections 2890(a) and (e) of the Public Utilities Code regarding providing and billing for certain Wireless Content Services.

B. On February 16, 2006, in response to a Motion to Dismiss filed by Cingular, the Commission issued Decision No. 06-02-012 dismissing the claims of violation of the Non-Comm Rules but permitting UCAN to proceed with its claims under sections 2890(a) and (e).

C. UCAN believes the claims possess substantial merit. Cingular expressly denies and disclaims any wrongdoing or liability of any kind whatsoever with regard to the claims set forth by UCAN in Case No. 05-07-022.

D. Despite the respective positions of the parties, in order to settle their disputes and to avoid the costs of further pursuing this matter before the Commission, the Parties have negotiated a settlement of the disputed claims, which is set forth below.

AGREEMENT

For and in consideration of the commitments made herein, Cingular and UCAN agree as follows:

1. Any WCS Subscriber who orders a subscription for a Wireless Content Service will be sent a free confirmation message confirming the WCS Subscriber's subscription commitment. The Wireless Content Service Provider's toll free number and website address or Cingular's toll free number will be included in the confirmation message.
2. Any WCS Subscriber ordering a subscription for a Wireless Content Service will be sent a periodic message that reminds the WCS Subscriber of the subscription and how to unsubscribe to such service.
3. Cingular will establish a reasonable periodic dollar limit cap for Wireless Content Services on a per line basis. Once that cap is reached, additional Wireless Content Services no longer will be billed to the line during the established period without further action on the part of the primary account holder to remove the cap, such as calling into Cingular customer care and authorizing charges beyond the level of that cap or providing a written verification of consent for the charges.
4. Cingular will provide the systems, processes and training to support the ability for a subscriber to have a free and ready means to address billing issues and cancel Wireless Content Services via a single point of contact or through an equally effective means to address such issues.
5. The details of service charges and billing frequency for every Wireless Content Service will be readily available for access on a website maintained by Cingular or the Wireless Content Service Provider or otherwise will be provided to the WCS Subscriber in a readily available manner.
6. Cingular will hold its Wireless Content Service Providers to certain written standards designed to protect consumers. At a minimum, these standards shall include the following requirements: (i) a simple and complete advisement of expected charges prior to the billing for any Wireless Content Service; (ii) standards for marketing Wireless Content Services to minors in terms of disclosures; and (iii) the avoidance of misleading advertising. Cingular will ensure that its Wireless Content Service Providers are monitored periodically for compliance with those standards and will take appropriate action in response to non-compliance, up to and including termination of the Wireless Content Service.

7. Cingular will make available a blocking option to all subscribers with qualifying devices that allows blocking of purchases of Wireless Content Services at no charge.
8. Cingular will explore ways to more proactively communicate the availability of the blocking option to prevent purchases of Wireless Content Services at the point of sale, in particular with regard to the sale of its Family Talk Plan.
9. Information regarding Wireless Content Services cramming complaints will be filed with the Commission staff. Details regarding the format of that reporting and its duration will be determined in accordance with Ordering Paragraph 7 of the Decision Issuing Revised General Order 168 (D.06-03-013).
10. UCAN will agree not to file any complaints against Cingular or its Wireless Affiliates relating to Wireless Content Services other than as provided in paragraph 11 below.
11. If UCAN believes that a breach of the Agreement has occurred, it will notify Cingular of the potential breach and provide an opportunity to promptly cure such breach before filing any complaint with the Commission. Any complaint filed for breach of this Agreement must be filed with the Commission, who all parties hereto agree shall have continuing supervisory jurisdiction to enforce the terms hereof.
12. The positions taken herein, and the actions taken in furtherance of this Agreement, are in settlement of disputed claims. Nothing in this Agreement shall be deemed as an admission of any allegation raised in any of the pleadings submitted in connection with Case No. 05-07-022, or any concession such claims are not without substantial merit. The Parties agree that the actions required to be taken by them pursuant to this Agreement are without prejudice to positions each Party has taken, or may hereafter take, in any other proceeding.
13. Implementation of this Agreement is subject to final approval by the Commission of this Agreement in its entirety. The Parties agree jointly to support the provisions of this Agreement and jointly to urge its adoption by the Commission in its entirety.
14. The Parties further agree to actively defend this Agreement if opposed by others and to consult with each other regarding the development of a defense to any issues that may be raised by others in opposition to this Agreement.
15. The Parties agree that they will work cooperatively to address public relations issues regarding this Agreement.
16. No Party shall seek, directly or indirectly, to have the Commission modify the terms of this Agreement without the express written consent of all other parties.
17. In the event the Commission rejects or modifies this Agreement, the Parties reserve their rights under Rule 51.7 of the Commission's Rules of Practice and Procedure. The Parties agree to a good faith renegotiation process in the event the Commission modifies this Agreement. To the extent that the renegotiation process proves unsuccessful, each Party reserves its right to terminate the Agreement on 10 days' written notice to counsel for the Parties.

18. Except as to such rights or claims as may be created by this Agreement, each Party hereby releases, remises and forever discharges each other Party hereto and their counsel from any and all claims, demands, causes or causes of action, obligations, damages and liabilities of any kind or nature whatsoever (all hereinafter referred to as "claim"), heretofore or hereafter arising out of, connected with the filing of the Complaint in this action and any allegations contained therein prior to the effective date hereof.

19. Each Party is aware that it may hereafter discover claims or facts in addition to or different from those it now knows or believes to be true with respect to the claims described in Section 18. Nevertheless, it is the intention of the Parties to fully, finally and forever to settle and release all claims described in Section 18, which do not now exist, may exist, or heretofore have existed between them. In furtherance of such intention, the releases given herein shall be and remain in effect as full and complete mutual releases of all such claims, notwithstanding the discovery or existence of any additional or different claims or facts relative thereto.

20. The Parties hereby acknowledge that they have been advised by legal counsel and are familiar with Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

The Parties acknowledge in that connection that they may have sustained damage, loss, cost or expense that are presently unknown and unsuspected, and that such damage, loss, cost or expense as may have been sustained may give rise to additional damage, loss, cost or expense in the future. Nevertheless, the Parties acknowledge that this Agreement has been negotiated and agreed upon in light of this situation and expressly waive any and all rights which they may have under Section 1542 of the California Civil Code, or any other state or federal statute or common law principle of similar effect.

21. The Parties each acknowledge that they have had a full and unhindered opportunity to consult with attorneys of their own choosing before entering into this Agreement.

22. The Parties represent and acknowledge that in executing this Agreement, they do not rely and have not relied upon any representation or statement made by the other Party or by the other Party's agents, representatives or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise, other than those matters expressly stated in the Agreement.

23. This Agreement sets forth the entire agreement between the Parties and fully supersedes any and all prior agreements or understandings of any kind whatsoever, whether written, oral, express, implied or otherwise. Any modification or amendment to this Agreement must be in writing and must be signed and dated by all of the Parties, and must explicitly state that it is intended to be an amendment to or modification of this Agreement.

24. This Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts, with the same effect as if all Parties had signed one and

the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Agreement.

25. The undersigned hereby acknowledge and covenant that they have been duly authorized to execute this Agreement on behalf of their respective principals and that such execution is made within the course and scope of their respective agency and/or employment.

26. The Parties each agree, without further consideration, to execute and/or cause to be executed any other documents, and to take any other action as may be necessary, to effectively consummate the subject matter of this Agreement.

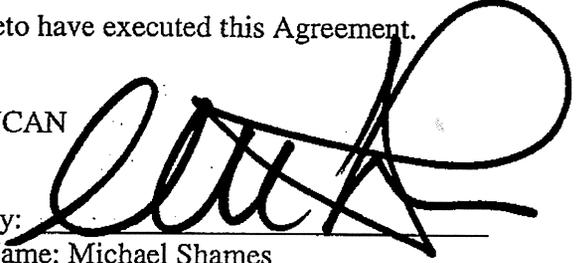
27. This Agreement is made and entered into in a Commission proceeding, and shall in all respects be interpreted, enforced and governed under the laws and regulations of the Commission.

28. This Agreement will be effective on the date it is approved by the Commission and will terminate on December 31, 2008.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Dated: August 10, 2006.

UCAN

By: 
Name: Michael Shames
Its: Executive Director

Dated: August ____, 2006

New Cingular Wireless PCS, LLC

By: _____
Name:
Its:

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Dated: August __, 2006.

UCAN

By: _____
Name:
Its:

Dated: August 11, 2006

New Cingular Wireless PCS, LLC

By: 
Name: Marc Lefar
Its: Chief Marketing Officer

The undersigned attorneys at law for the respective parties represent that they have fully explained this Agreement to their respective clients, who have acknowledged an understanding of these terms and conditions and the legal effect thereof.

Dated: August 14th, 2006.

By: 
Alan M. Mansfield
Attorneys for UCAN

DAVIS WRIGHT TREMAINE LLP

Dated: August __, 2006.

By: _____
Suzanne Toller
Attorneys for New Cingular Wireless PCS,
LLC

The undersigned attorneys at law for the respective parties represent that they have fully explained this Agreement to their respective clients, who have acknowledged an understanding of these terms and conditions and the legal effect thereof.

Dated: August __, 2006.

By: _____
Alan M. Mansfield
Attorneys for UCAN

DAVIS WRIGHT TREMAINE LLP

Dated: August 14, 2006.

By: Suzanne Toller / cjm
Suzanne Toller
Attorneys for New Cingular Wireless PCS,
LLC