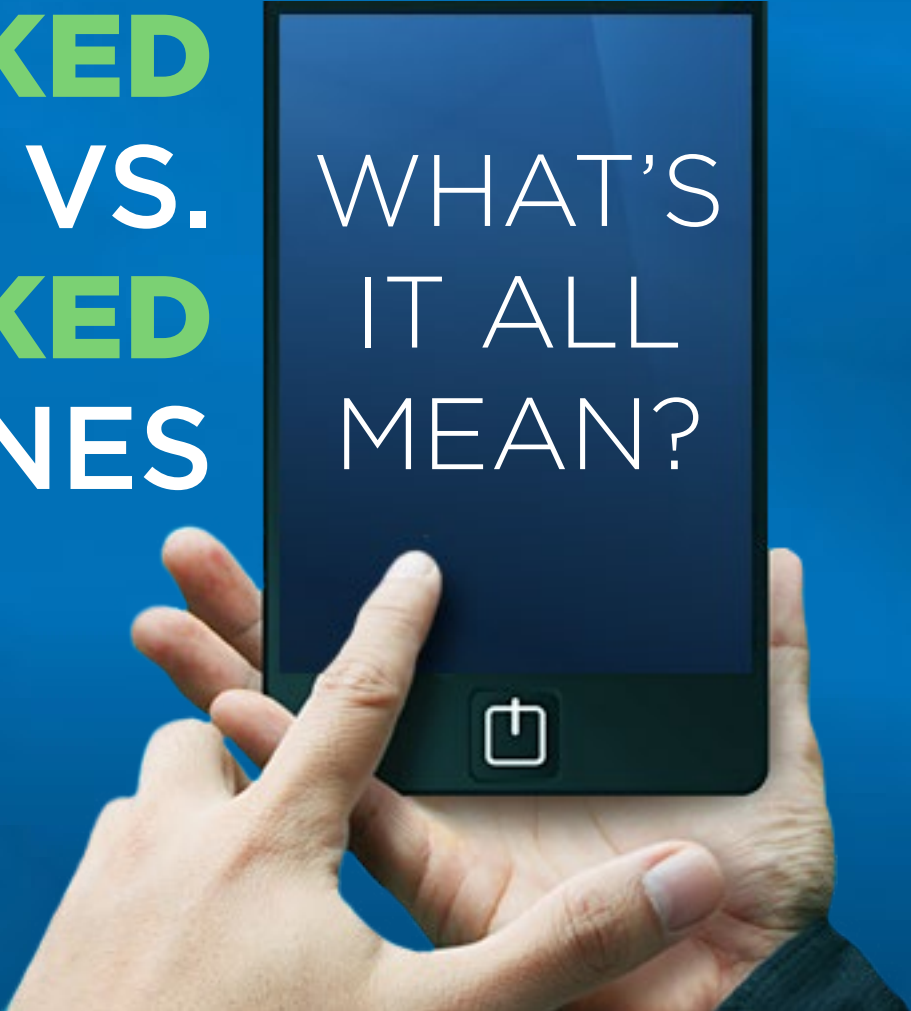


LOCKED VS. UNLOCKED PHONES



WHAT'S
IT ALL
MEAN?



The modern world has seen the rise of the cell phone from something which the financial elite had, to a device that nearly every person has regardless of socio-economic status. In 2007, the launch of the iPhone shocked the cell phone world with the amazing technology found in every smart phone today. Almost as soon as smart phones rose to popularity, the issues concerning unlocked or “jail-broke” phones became a major factor in deciding the type of phone to have. This list represents some of the most important statistics of locked versus unlocked phones in relation to how it affects the mobile telecommunication’s market and the numbers of consumers choosing one over the other.



IN 2011, THE NUMBER OF CELL PHONES IN THE U.S. EXCEEDED THE NUMBER OF U.S. CITIZENS.

BENEFITS OF UNLOCKED PHONES

Global System for Mobile Communications, which is more commonly referred to by the acronym GSM, phones are the most popular type of cell phones available.



- ✓ GSM phones are the most commonly and easily unlocked phones available.
- ✓ An unlocked phone is one that is not tied to a carrier.
- ✓ GSM phones require users to simply switch SIM cards in unlocked phones to change services while maintaining data, contacts, and subscriber information.
- ✓ Carrier phones grew in popularity due to low costs for consumers who signed a multiple-year contract to have service from a given provider.

PEOPLE ARE VERY LOYAL TO THEIR PROVIDER AND NEVER REALIZE THEIR PHONE IS LOCKED, UNTIL THEY SELL IT ON EBAY OR ANOTHER MARKETPLACE.

MOST OF THE TIME, THE NUMBER ONE BUYER COMPLAINT IS ABOUT THE SIM NOT WORKING ON THE PHONE THEY JUST PURCHASED.



AT&T ALLOWS A MAXIMUM OF FIVE PHONE UNLOCKS PER YEAR FOR EACH CONSUMER ACCOUNT.

There's a limit to the number of phone unlocks you can get. AT&T allows five unlocks per account per year for active customers; former customers get five unlocks, period.

COMMON REQUIREMENTS FOR CARRIERS TO UNLOCK PHONES.

- ✓ The account must be with the given carrier.
- ✓ The account must be in good standing and meet the time requirements, which routinely last from 40- to 60-days.
- ✓ Phones that remain under contract or have been lost or stolen are not eligible for carrier unlock services.
- ✓ If the phone was purchased at full price, it can be unlocked with printed proof of purchase.
- ✓ Military service members who have been deployed can unlock their phones if they prove they have been deployed. However, T-mobile forbids unlocking phones until the routine, 30-day "Buyer's Remorse period" has ended.

SUCCESS RATES



- Every GSM phone can be unlocked; however, some carriers may install additional software limiting usability of certain features, such as GPS, WiFi, or cloud storage.
- CDMA phones can be unlocked through a process known as “flashing,” which involves uploading of software to rewrite the information on the cell phone.

HOW MANY PEOPLE DO THIS IN A GIVEN YEAR



- Without counting the number of unlocks which took place during the U.S. ban on unlocking devices, the total number of unlocked phones in the U.S. has risen to more than 4-million in the last few years.
- Each year, more than 1-million consumers choose to unlock their phones.
- The number of current unlocked phones in the U.S. amounts to more than 600,000 available devices for sale through a variety of online and in-store venues, such as Amazon, eBay, WalMart, and more.

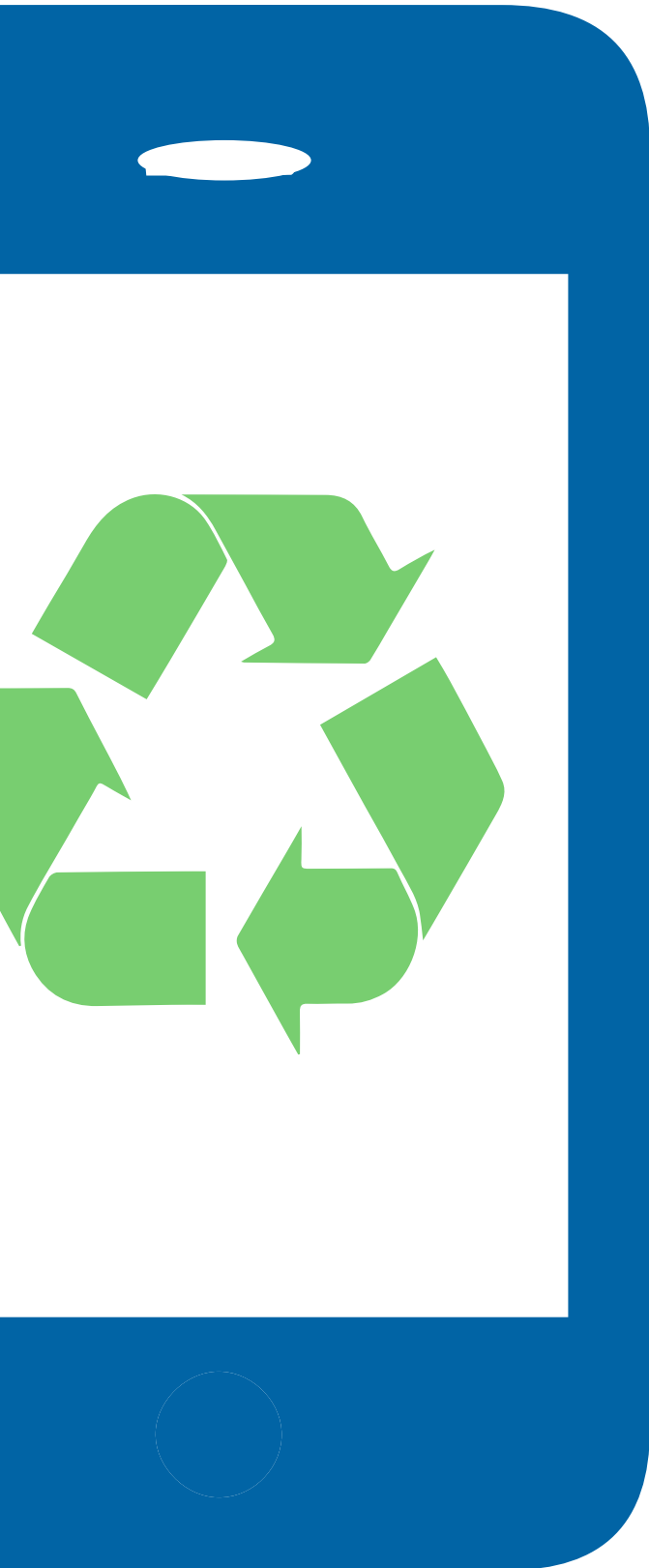
CELLPHONES AND THE ENVIRONMENT: WHAT'S NEXT

HAVE YOU EVER WONDERED WHAT HAPPENS TO YOUR CELLPHONE WHEN YOU GET RID OF IT? DOES IT END UP IN A LANDFILL AND THREATEN THE INTEGRITY OF THE WATER SUPPLY, OR DOES IT SIMPLY BECOME ANOTHER PIECE OF ELECTRONIC GARBAGE, ACCOUNTING FOR MORE THAN 70% OF WASTE PRODUCED IN AMERICA?



CELLPHONE DISPOSAL STATISTICS

- In 2009, 141 million cellphones were tossed out. Only 12 million were recycled.
- Cellphones have slid by many state laws regarding the potential dangers of components like batteries.
- In California, there is an ongoing concern over the presence of phthalates in iPhone cords that have not been labeled as hazardous.
- Few companies exist for recycling cellphones, and only one company, EcoATM, has taken on this challenge completely.



CELLPHONE RECYCLING FOR METALS

Since cellphones are electronic devices, they must contain electricity-conductors, metals, within them to function properly.

- In 2009, cellphone recycling companies spent an average of 18 cents extracting metals from cellphones; however, they only gained 75 cents from the actual metals.
- This large profit margin--more than 3x the cost--led to mass production and research for producing cheaper cellphones that held less value in recycling.



REFURBISHING PHONES

Nearly every day, another cellphone company offers huge financial incentives for trading in old cellphones in favor of a newer device, such as the \$175 bill credit per device Verizon offered in January 2015. Now, you may be wondering how a phone gets refurbished.

- Any locked device will need to be unlocked if it is going to be refurbished and sent to a different carrier, particularly a carrier outside of the U.S.
- Refurbished phones are also used to help those in dire circumstances in the U.S. For example, victims of domestic violence, child abuse, elder abuse, or those with psychological impairments may be given a low-cost refurbished cellphone.

ECOATM: QUICK CASH AND REFURBISHING



EcoATM is currently the only dedicated recycling center devoted to purchasing and refurbishing cellphones for a second life beyond the time you had the device.

- In May 2013, 350 EcoATMs dotted 24 states, which grew to more than 500 EcoATMs in 35 states by the end of 2014.
- People visit the EcoATM, attach their phone, and find out how much they can be paid immediately for the device.
- Each person trying to sell a device at an EcoATM will need a valid ID.
- Most payouts for phones average \$9; however, newer devices will bring a higher rate. For example, the payout for an iPhone 5 in West Texas was \$145 for an undamaged device following Christmas 2014.

ADVANTAGES VS DISADVANTAGES OF UNLOCKED CELL PHONES

ADVANTAGES

- Unlocked cell phones allow for lower rates for consumers using them abroad.
- Traveling consumers can purchase a local SIM card to insert in their device, which gives them a local phone number; therefore, the operating and usage costs are lowered.
- Consumers have access to a greater number of available plans and networks.
- Unlocked cell phones allow service on a wide range of radio-frequencies to increase the carriers on which a phone can function.
- Consumers can purchase additional phones and change devices to meet demands of work, recreational activities, or traveling.

DISADVANTAGES

- Purchasing an unlocked phone remains more expensive than traditional, carrier-locked devices.
- Unlocked phones can void a manufacturer warranty when issued by a carrier and consumers have not fulfilled the above requirements for unlock by carrier.

Although unlocking cell phones, or jailbreaking phones, sounds like it may be illegal, it's actually allowed by U.S. Congressional Laws. The number of unlocked phones will only continue to rise as society becomes more concerned about accessibility and features on certain carriers. The benefits of utilizing an unlocked phone far exceed the two disadvantages of cost and warranty for unlocked cell phones.