

SETTLEMENT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ADT LLC D/B/A ADT SECURITY SERVICES

I. INTRODUCTION

1. This Settlement Agreement (“Agreement”) is made and entered into by and between the United States of America, through the Department of Justice (“United States”), and ADT LLC d/b/a ADT Security Services (“ADT”). The United States and ADT are referred to herein as the “Parties.”

II. RECITALS

2. This Agreement resolves the United States’ allegations that ADT violated the Servicemembers Civil Relief Act (“SCRA”), 50 U.S.C. §§ 3901-4043, by imposing a 30-day notice requirement on servicemembers terminating their home security services contracts under the SCRA.

3. Since January 5, 2023, when the SCRA was amended to allow servicemembers to terminate home security services contracts based on their receipt and provision of military relocation orders, *see* 50 U.S.C. § 3956, ADT has received over 3,400 requests from servicemember customers to terminate home security services contracts based on military relocation.

4. The United States alleges that ADT has imposed a 30-day notice requirement on servicemembers, meaning that the servicemembers’ home security services contract did not terminate until at least 30 days after the termination was requested in accordance with 50 U.S.C. § 3956, regardless of when the servicemember desired the termination to occur.

5. The United States further alleges that, as a result of ADT's 30-day notice policy, it has charged servicemembers terminating home security services contracts in accordance with 50 U.S.C. § 3956 additional amounts not permitted under Section 3956 of the SCRA.

6. The United States alleges that by enforcing its 30-day notice policy for contract terminations on servicemembers who terminated their home security services contracts in accordance with 50 U.S.C. § 3956, ADT has engaged in a pattern or practice of violating Section 3956 of the SCRA, and these violations raise issues of significant public importance.

7. The United States alleges that SCRA-protected servicemembers have suffered damages because of ADT's conduct.

8. ADT represents that it followed a generally applicable 30-day notice policy for customers terminating their home security services contracts. ADT denies the United States' allegations that it engaged in a pattern or practice of violating the SCRA and denies any violation of the SCRA or any other federal, state, or local statute or regulation. Nothing in this Agreement shall constitute or be construed as any admission of liability, wrongdoing, or violation of law by ADT.

9. ADT has cooperated fully with the United States' investigation in this matter.

10. The Parties agree that, to avoid the delay, uncertainty, inconvenience, and expenses of protracted litigation, the United States' claims against ADT should be resolved without legal proceedings. As indicated by the signatures appearing below, the Parties agree to the terms of this Agreement.

11. The effective date of this Agreement will be the date of the signature of the last signatory to the Agreement.

III. STATEMENT OF CONSIDERATION

12. In consideration of, and consistent with, the terms of this Agreement, the United States will not pursue claims against ADT relating to the United States' allegation that ADT charged impermissible amounts to servicemembers terminating home security services contracts based on military relocation orders in violation of 50 U.S.C. § 3956. The Parties agree and acknowledge that this consideration is adequate and sufficient.

IV. TERMS AND CONDITIONS

The Parties agree and covenant as follows:

A. Prohibited Conduct and Affirmative Obligations

13. ADT, its officers, employees, agents, and representatives (including attorneys, contractors, or vendors) will not impose a 30-day notice requirement on any servicemember who lawfully terminates a home security services contract in accordance with 50 U.S.C. § 3956.

14. ADT, its officers, employees, agents, and representatives (including attorneys, contractors, or vendors) shall refund to servicemembers terminating their contracts under Section 3956, within sixty (60) days of the effective date of the termination in accordance with 50 U.S.C. § 3956, any fee or other amount to the extent paid for a period extending until after such date, except for the remainder of the monthly or similar billing period in which the termination occurs.

15. ADT, its officers, employees, agents, and representatives (including attorneys, contractors, or vendors) shall comply with the SCRA Policies and Procedures for Home Security Services Contract Termination established in Part IV.B of this Agreement.

B. SCRA Policies and Procedures

16. Within forty-five (45) calendar days after the effective date of this Agreement, ADT shall send to the United States proposed SCRA policies and procedures for early

termination of home security services contracts in compliance with Section 3956 of the SCRA. These policies and procedures – which must apply to ADT and ADT’s agents – must include the following provisions:

- a. permitting servicemembers to terminate their home security services contracts without penalty and without requiring a notice period where:
 - i. a servicemember receives military orders to relocate for a period of at least 90 days (including a permanent change of station order) to a location that does not support the contract, see 50 U.S.C. § 3956(a)(1)(A);
 - ii. a servicemember receives military orders for a permanent change of station, thereafter enters into the contract, and then receives a stop movement order issued by the Secretary of Defense or the Secretary of Homeland Security in response to a local, national, or global emergency, effective for an indefinite period or for a period of at least 30 days, that prevents the servicemember from using the services provided under the contract, see 50 U.S.C. § 3956(a)(1)(B);
 - iii. a member of a reserve component performing military service or performing full-time National Guard duty, active Guard and Reserve duty, or inactive-duty training receives military orders to relocate for a period of at least 90 days (including a permanent change of station order) to a location that does not support the contract, see 50 U.S.C. 3956(a)(4)(C);
 - iv. a servicemember dies while in military service or performing duty described in 50 U.S.C. § 3956(a)(4)(C), see 50 U.S.C. § 3956(a)(4)(A); or

- v. a servicemember incurs a catastrophic injury or illness while in military service or performing duty described in 50 U.S.C. § 3956(a)(4)(C), see 50 U.S.C. § 3956(a)(4)(B).
- b. informing servicemembers who terminate their home security services contracts of their early termination rights, see 50 U.S.C. § 3956(a)(2), by providing them with the URL of the webpage describing such rights (required by subsection (g) below);
- c. approving terminations of home security services contracts based on delivery to ADT or ADT's agent of a written or electronic notice of such termination and a copy of the servicemember's military orders (to include any notification, certification, or verification from the servicemember's commanding officer setting forth facts establishing eligibility for early termination), or other document prepared exclusively by a branch of the military or the Department of Defense demonstrating that the customer is eligible for home security services contract termination under 50 U.S.C. § 3956(b)(2), including by hand delivery, private business carrier, U.S. Mail, e-mail, text message, or other electronic means reasonably calculated to ensure actual receipt, see 50 U.S.C. § 3956(a)(3);
- d. setting the effective date of the contract termination as the date the servicemember selects or, if no specific date is requested, as the date when both written notice and orders have been provided, see 50 U.S.C. § 3956(a)(3);
- e. limiting any charges that must be paid upon termination to those permitted by the SCRA, see 50 U.S.C. §3956(e)(1);

- f. refunding, within 60 days after the effective date of termination, any fee or other amount to the extent paid for a period extending until after such date, except for the remainder of the monthly or similar billing period in which the termination occurs, see 50 U.S.C. § 3956(f);
- g. establishing a designated telephone number at which servicemembers may reach a customer service representative who will address questions or concerns regarding the termination of home security services contracts pursuant to the SCRA. ADT shall also include a page on its website detailing eligibility for, and relief provided by, the SCRA regarding the termination of home security services contracts, and providing the telephone number to obtain such SCRA relief or raise questions or concerns regarding such relief; and
- h. designating individuals who will receive notice from customer service representatives of all complaints, including oral complaints, claiming a violation of, or alleging facts that would constitute a violation of, termination rights under the SCRA.

17. The United States shall respond to the proposed SCRA policies and procedures described in Paragraph 16 within thirty (30) calendar days of receipt. If the United States objects to any part of the proposed SCRA policies and procedures within the thirty (30) day period, the Parties shall meet and confer to resolve their differences. ADT shall begin the process of implementing the SCRA policies and procedures within fourteen (14) calendar days of non-objection by the United States; such SCRA policies and procedures shall be the “SCRA Policies and Procedures for Home Security Services Contract Termination”.

18. If, at any time during the term of this Agreement, ADT proposes to materially change its SCRA Policies and Procedures for Home Security Services Contract Termination, it shall first provide a copy of the proposed changes to counsel for the United States. If the United States does not deliver written objections to ADT within thirty (30) calendar days of receiving the proposed changes, the changes may be implemented. If the United States makes any objections to the proposed changes within the thirty (30) calendar day period, the specific changes to which the United States objects shall not be implemented until the Parties meet and confer to resolve their differences.

C. Training

19. ADT shall provide SCRA compliance training to any employees who: (a) provide customer service to customers in connection with the termination or suspension of home security services contracts under the SCRA, or (b) have significant involvement in processing requests to terminate or suspend home security services contracts under the SCRA (“covered employees”). ADT shall provide to each covered employee: (a) training on the terms of the SCRA with respect to termination of service contracts; (b) training on SCRA Policies and Procedures for Home Security Services Contract Termination (both those required pursuant to Paragraph 16 and all others adopted by ADT) specific to the employee’s responsibilities associated with that employee’s position; and (c) the contact information for the individual or individuals designated to receive SCRA complaints described in Paragraph 16(h).

20. Within forty-five (45) calendar days of the United States’ non-objection to ADT’s SCRA Policies and Procedures for Home Security Services Contract Termination pursuant to Paragraphs 16-17, ADT shall provide to the United States the curriculum, instructions, and any written material included in the training required by Paragraph 19. The United States shall have

thirty (30) calendar days from receipt of these documents to raise any objections to the training materials, and, if it raises any, the Parties shall meet and confer to resolve their differences.

21. ADT shall provide SCRA compliance training to covered employees within forty-five (45) calendar days of the United States' non-objection pursuant to Paragraph 20.

22. During the term of this Agreement, ADT shall provide annual SCRA training, with the same content as described in Paragraph 19, to covered employees with respect to their responsibilities and obligations under the SCRA and ADT's SCRA Policies and Procedures for Home Security Services Contract Termination.

23. ADT shall also follow these training procedures for any employee who subsequently becomes a covered employee within thirty (30) calendar days of their becoming a covered employee.

24. The covered employees may undergo the training required by Paragraphs 19-23 via live training, computer-based training, web-based training, or interactive digital media. If the training is conducted in any format other than live training, ADT shall ensure that covered employees have the opportunity to submit questions to a designated company electronic mail address, which will then be answered by ADT within five (5) calendar days. Any expenses associated with the training program required by Paragraphs 19-23 shall be borne by ADT.

25. ADT shall secure an electronic verification from all employees at the trainings required by Paragraphs 19-23, substantially similar to the content of the form attached as Appendix A, acknowledging that they have received, read, and understood the SCRA Policies and Procedures for Home Security Services Contract Termination, have had the opportunity to have their questions about these documents answered, and agree to abide by them. ADT shall annually certify in writing to counsel for the United States that the covered employees

successfully completed the trainings required by Paragraphs 19-23. Copies of the electronic verifications shall be provided to the United States upon request.

D. Compensation for Aggrieved Servicemembers

26. Within thirty (30) calendar days of the effective date of this Agreement, ADT shall provide to the United States an electronically searchable list of all instances where ADT imposed a charge for home security services, including the amount of the charge(s), after a servicemember submitted written notice of termination and a copy of their military orders in accordance with 50 U.S.C. § 3956, between January 5, 2023, and the effective date of this Agreement. Within thirty (30) calendar days of receiving the electronically searchable list from ADT, the United States shall provide ADT with the list of any instances where it believes ADT imposed unlawful charges and the amount of the unlawful charges. In the event ADT objects to the United States' list, ADT shall be afforded thirty (30) calendar days to produce evidence of compliance to the United States. Within thirty (30) calendar days of ADT's production of evidence, after considering in good faith all evidence produced by ADT, the United States shall make a final determination of servicemembers who shall receive compensation for unlawful charges.

27. ADT shall compensate the servicemembers identified pursuant to Paragraph 26 by providing: (1) a refund of any charged amounts that the United States determined to be unlawful; and (2) an additional payment of indirect damages in the amount of \$300, or three times the amount of the charges that the United States determined to be unlawful, whichever is larger. In cases where ADT has already taken remedial actions with respect to particular aggrieved servicemembers, the United States will consider such remedial actions and adjust the compensation awarded to those servicemembers accordingly.

28. Within thirty (30) calendar days after the effective date of this Agreement, ADT shall deposit \$1,260,000 into an interest-bearing escrow account (“Settlement Fund”) to compensate servicemembers whom the United States determines have been harmed by ADT’s violations of the SCRA (“aggrieved servicemembers”). ADT shall be solely responsible for any costs, taxes, or fees related to the Settlement Fund. Any interest that accrues will become part of the Settlement Fund and shall be used and disposed of as set forth herein. ADT shall add funds to the escrow account as necessary to meet its obligations under this Agreement.

29. Within thirty (30) calendar days after the effective date of this Agreement, ADT shall submit proof to the United States that the Settlement Fund has been established and that all funds have been deposited.

30. For aggrieved servicemembers not currently residing in Oregon, ADT must make good faith efforts to deliver payment to each aggrieved servicemember in the amount calculated pursuant to Paragraph 27 within thirty (30) calendar days of receiving the United States’ final determination of aggrieved servicemembers pursuant to Paragraph 26. All compensation checks may include the phrase “Settlement in Full” in the memorandum section. All compensation checks shall be accompanied by a copy of a letter (the form of which is to be approved in advance by the United States) explaining that cashing or endorsing the check releases all claims against ADT related to claims for violations of Section 3956 of the SCRA related to requests for early termination of home security services contracts.

31. For aggrieved servicemembers currently residing in Oregon, ADT shall send a letter (the form of which is to be approved in advance by the United States) containing a Release in the form attached as Appendix B within thirty (30) calendar days of receiving the United States’ final determination of aggrieved servicemembers pursuant to Paragraph 26. Aggrieved

servicemembers in Oregon shall have four (4) years from the date of notification to provide the Release. Within thirty (30) calendar days of receiving a properly executed copy of the Release at Appendix B, ADT shall issue and mail a compensation check to the aggrieved servicemember in the amount calculated pursuant to Paragraph 27.

32. ADT shall provide the United States with samples of all letters, and receive the United States' non-objection, before mailing any letter required by this Agreement to aggrieved servicemembers.

33. ADT shall promptly skip trace and make reasonable efforts to redeliver or reissue any payment or notification that is returned as undeliverable. ADT shall also promptly skip trace and make reasonable efforts to redeliver or reissue any payment or notification that is not deposited, cashed, or returned within six (6) months of the date the initial payment or notification is sent.

34. Aggrieved servicemembers' compensation checks shall remain valid for six (6) months after issuance. During the term of this Agreement, ADT shall, upon the request of an aggrieved servicemember, or upon the request of the counsel for the United States, reissue any checks that are not cashed or deposited prior to their expiration.

35. For the duration of the Agreement, every six (6) months following the mailing of notices to aggrieved servicemembers, ADT shall provide the DOJ with an accounting of all releases received, checks issued, checks cashed or deposited (including check copies), and notifications without responses or that were returned as undeliverable.

36. Any amounts in the escrow account required by Paragraph 28 that have not been distributed to aggrieved servicemembers within four (4) years of the date of this Agreement shall

be paid to the United States Treasury in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

37. ADT will not refuse to make a payment based on a waiver or release of legal claims or an arbitration agreement previously signed by any aggrieved servicemember.

38. No individual may obtain review by the Parties of the identifications made, and payments disbursed (including the amounts thereof), pursuant to the Agreement.

E. Civil Penalty

39. Within fourteen (14) calendar days after the effective date of this Agreement, ADT shall pay \$79,380 to the United States Treasury as a civil penalty pursuant to 50 U.S.C. § 4041(b)(3) to vindicate the public interest. The payment shall be in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

F. Additional Reporting and Recordkeeping Requirements

40. For the duration of this Agreement, ADT shall retain all records relating to its obligations hereunder, including records with respect to the early termination of servicemembers' home security services contracts and all records relating to compliance activities as set forth herein. The United States shall have the right to review and copy any such records, including electronic data, upon reasonable request during the term of this Agreement.

41. During the term of this Agreement, ADT shall notify counsel for the United States in writing every six (6) months of receipt of any complaint claiming a violation of, or alleging facts that would constitute a violation of, rights under Sections 3931 (default judgments) or 3956 (termination of consumer contracts) of the SCRA. ADT shall provide a copy of any written complaints with the notifications. Whether regarding a written or oral complaint, the notification to the United States shall include the full details of the complaint, including the complainant's

name, address, telephone number, and email address, and the full details of all actions ADT took to resolve the complaint. ADT shall also promptly provide the United States all information it may reasonably request concerning any such complaint. If the United States raises any objections to ADT's actions, the Parties shall meet and confer to consider appropriate steps to address the concerns raised by the United States' review.

V. SCOPE OF SETTLEMENT AGREEMENT

42. The provisions of this Agreement shall apply to ADT and any of its officers, employees, agents, representatives, subsidiaries, assigns, acquired companies or successors-in-interest, and all persons and entities in active concert or participation with any of those entities.

43. In the event that ADT is acquired by or merges with another entity, ADT shall, as a condition of such acquisition or merger, obtain the written agreement of the acquiring or surviving entity to be bound by any obligations remaining under this Agreement for the remaining term of this Agreement.

44. This Agreement releases only the claims for the alleged violations of Section 3956 of the SCRA identified in this Agreement. This Agreement does not release any other claims that may be held or are currently under investigation by any federal agency against ADT or any of its affiliated entities.

45. Nothing in this Agreement will excuse ADT's compliance with any currently or subsequently effective provision of law that imposes additional obligations on it.

VI. IMPLEMENTATION AND ENFORCEMENT

46. The United States may review compliance with this Agreement at any time. ADT agrees to cooperate with the United States in any review of compliance with this Agreement.

Upon reasonable notice, ADT shall permit counsel for the United States to inspect and copy all non-privileged records pertinent to this Agreement.

47. The Parties shall endeavor in good faith to resolve informally any differences regarding interpretation of or compliance with this Agreement prior to initiating any court action. If the United States believes that there has been a failure by ADT to perform in a timely manner any act required by this Agreement, or otherwise to act in conformance with any provision thereof, whether intentionally or not, the United States will notify ADT in writing of its concerns and the Parties will attempt to resolve those concerns in good faith. ADT shall have thirty (30) calendar days from the date the United States provides notification of any breach of this Agreement to cure the breach.

48. If the Parties are unable to reach a resolution within thirty (30) calendar days, the United States may bring a civil action for breach of this Agreement, or any provision thereof, in the United States District Court for the Southern District of Florida. This Court shall serve as the exclusive jurisdiction and venue for any dispute concerning this Agreement. The Parties consent to and agree not to contest the jurisdiction of this Court. The Parties further acknowledge that venue in this Court is appropriate and agree not to raise any challenge on this basis.

49. In the event the United States files a civil action as contemplated by Paragraph 48 to remedy breach of this Agreement, the United States may seek the following: (1) an injunction mandating specific performance of any term or provision in this Agreement, without regard to whether monetary relief would be adequate; (2) an award of reasonable attorneys' fees and costs incurred in bringing an action to remedy breach of this Agreement; and (3) any additional relief that may be available under law or equity. If such a civil action is filed, ADT expressly agrees not to count the time during which this Agreement is in place, or use the terms or existence of

this Agreement, to plead, argue, or otherwise raise any defenses under theories of claim preclusion, issue preclusion, statute of limitations, estoppel, laches, or similar defenses.

50. Failure by the United States to enforce any provision of this Agreement shall not operate as a waiver of the United States' right or ability to enforce any other provision of this Agreement.

VII. TERMINATION OF LITIGATION HOLD

51. The Parties agree that, as of the effective date of this Agreement, further litigation is not "reasonably foreseeable" concerning the matters described above. To the extent that any Party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to the matters described above, the Party is no longer required to maintain such litigation hold. Nothing in this Paragraph relieves any Party of any other obligations imposed by this Agreement.

VIII. DURATION, EXECUTION AND OTHER TERMS

52. This Agreement is effective on the date of the signature of the last signatory to the Agreement. The Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one agreement. Any signature delivered by a party by facsimile or electronic transmission (including email transmission of a PDF image) shall constitute an acceptable, binding signature for purposes of this Agreement.

53. This Agreement shall be in effect for a period of four (4) years from its effective date.

54. Any time limits for performance imposed by this Agreement may be extended by the mutual written agreement of the Parties.

55. Each Party shall be responsible for its own legal and other costs incurred in connection with this matter, including the preparation, negotiation, and performance of this Agreement, except as set forth in Paragraph 49.

56. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

57. This Agreement, including Appendices A-B, constitutes the complete agreement between the Parties. No prior or contemporaneous communications, oral or written, or prior drafts shall be relevant or admissible for purposes of determining the meaning of any provision herein or in any other proceeding.

58. This Agreement is governed by and shall be interpreted under the laws of the United States.

59. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

60. This Agreement is binding on the Parties and their transferees and assigns.

61. Except where this Agreement expressly conditions or predicates performance of a duty or obligation upon the performance of a duty or obligation by another Party, the performance of one Party's duties or obligations under this Agreement shall not be discharged or excused by the actual or alleged breach of the duties and obligations by another Party.

62. This Agreement is a public document. Both Parties consent to the United States' disclosure of this Agreement and information about this Agreement, to the public and to the

issuance of public statements about this litigation and the subject matter hereof, subject to any applicable privacy laws.

63. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

64. The Parties agree that they will not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is illegal or invalid.

65. The Parties agree that they will defend this Agreement against any challenge by any third party. In the event that this Agreement or any of its terms is challenged by a third party in a court other than the United States District Court for the Southern District of Florida, the Parties agree that they will seek removal and/or transfer to the United States District Court for the Southern District of Florida.

66. This Agreement may be modified only with the written consent of the Parties. Any modifications must be in writing and signed by the Parties through their authorized representatives.

For the United States of America:

Dated: April 14, 2026

JASON A. REDING QUINONES
United States Attorney

HARMEET K. DHILLON
Assistant Attorney General
Civil Rights Division

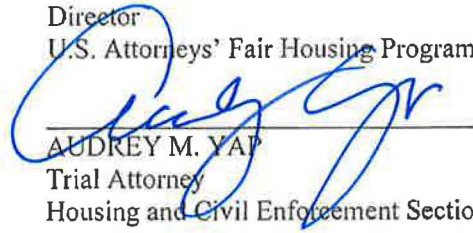
CARRIE PAGNUCCO
Chief

Housing and Civil Enforcement Section

ELIZABETH A. SINGER
Director
U.S. Attorneys' Fair Housing Program



CHANTEL DOAKES SHELTON
Assistant United States Attorney



AUDREY M. YAP
Trial Attorney
Housing and Civil Enforcement Section

For ADT LLC d/b/a ADT Security Services:

Dated: April 14, 2026



DAVID W. SMAIL
Executive Vice President & Chief Legal Officer

APPENDIX A

EMPLOYEE ACKNOWLEDGMENT

I acknowledge that on _____, 20__, I was provided training regarding compliance with the Servicemembers Civil Relief Act (SCRA) and a copy of ADT's SCRA Policies and Procedures for Home Security Services Contract Termination applicable to my duties. I have read and understand these documents and have had my questions about these documents and the SCRA answered. I understand my legal responsibilities and shall comply with those responsibilities.

Signature

Print name

Job title

APPENDIX B

RELEASE OF CLAIMS

In consideration for the Parties' agreement to the terms of the Settlement Agreement resolving the United States' allegations against ADT LLC d/b/a ADT Security Services ("ADT") and payment to me of \$ [AMOUNT], I, [NAME], hereby release and forever discharge all claims, arising prior to the date of this Release, related to the facts at issue in the matter referenced above that pertain to alleged violations of Section 3956 of the Servicemembers Civil Relief Act that I may have against ADT and all related entities, parents, predecessors, successors, subsidiaries, and affiliates and all of its past and present directors, officers, agents, managers, supervisors, shareholders, and employees and its heirs, executors, administrators, successors or assigns.

Executed this _____ day of _____, 20 .

Signature

Print name

Mailing Address: _____

Phone: _____

Email: _____