

IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT  
IN AND FOR PALM BEACH COUNTY, FLORIDA

CIVIL DIVISION

In re ADT INC. SHAREHOLDER  
LITIGATION

Case No. 502018CA003494XXXXMB-AG

CLASS ACTION

This Document Relates To:

ORDER PRELIMINARILY APPROVING  
SETTLEMENT AND PROVIDING FOR  
NOTICE

ALL ACTIONS.

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WHEREAS, on September 15, 2020, the Parties in this Action and in a related action formerly pending in the United States District Court for the Southern District of Florida entitled *Perdomo v. ADT Inc.*, Case No. 18-80668-cv-Middlebrooks (the “Federal Action” and, together with this Action, the “Actions”) entered into a Stipulation of Settlement (the “Stipulation” or “Settlement”), which is subject to review by this Court and which, together with the exhibits thereto, sets forth the terms and conditions for the Settlement of the claims alleged in this Action and in the Federal Action; and the Court having read and considered the Stipulation and the accompanying documents; and the Parties to the Stipulation having consented to the entry of this Order; and all capitalized terms used herein having the meanings set forth in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Court preliminarily finds that:
  - (a) the Settlement resulted from arm’s-length negotiations under the supervision of an experienced mediator, David Geronemus, of JAMS;
  - (b) the Settlement is sufficiently fair, reasonable, and adequate to warrant providing notice of the Settlement to the Settlement Class;
  - (c) for purposes of settlement only, and pending the Settlement Fairness

Hearing (defined below), a Settlement Class is conditionally certified, pursuant to Florida Rule 1.220(b)(3), to include all Persons who purchased or otherwise acquired ADT common stock pursuant to and/or traceable to ADT's January 19, 2018 IPO, from January 19, 2018 through and including May 21, 2018, and were damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) members of the immediate families of the Individual Defendants; (iii) the parents, subsidiaries, assigns, successors and predecessors of ADT, the Underwriter Defendants, and the Apollo Defendants (but, for the avoidance of doubt, not excluding Persons who are members or partners of such parents, subsidiaries, assigns, successors, or predecessors); (iv) the subsidiaries and predecessors of STRH; (v) any Persons who served as partners, control persons, officers and/or directors of ADT, the Underwriter Defendants, or the Apollo Defendants during the Settlement Class Period; (vi) any Persons who served as partners, officers, and/or directors of STRH during the Settlement Class Period; (vii) Defendants' liability insurance carriers; (viii) the legal representatives, heirs, successors, and assigns of any person or entity, except STRH, excluded under provisions (i) through (vii) hereof; and (ix) the legal representatives of STRH. For avoidance of doubt, any Investment Vehicle shall not be excluded from the Settlement Class.<sup>1</sup> Also excluded from the Settlement Class are those Persons who would otherwise be Settlement Class Members but who timely and validly exclude themselves therefrom. The Settlement Class shall be certified for settlement purposes only; and

(d) For the purposes of Settlement only and subject to final approval at the Settlement Fairness Hearing, the prerequisites for a class action under Florida Rule 1.220 have been conditionally satisfied in that it appears that: (i) the number of Settlement Class Members are so numerous that joinder of all members is impracticable; (ii) there are questions of law and fact common to the Settlement Class; (iii) the claims of Goldstrand Investments Inc., Richard Krebsbach, Howard Katz, Daniel M. Sweet, and Robert Lowinger (together, the "State Court Plaintiffs") are typical of the claims of the Settlement Class they seek to represent; (iv) State Court Plaintiffs and State Court Lead Counsel have and will fairly and adequately represent the interests of the Settlement Class; (v) the questions of law and fact common to the Settlement Class Members predominate over any questions affecting only individual Settlement Class

Members; and (vi) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

2. For the purposes of the Settlement only and subject to final approval at the Settlement Fairness Hearing, the State Court Plaintiffs are conditionally certified as the class representatives, and Robbins Geller Rudman & Dowd LLP is conditionally appointed Class Counsel.

3. A Settlement Fairness Hearing is hereby scheduled to be held before the Court, at 205 North Dixie Highway, West Palm Beach, Florida 33401, on January 12, 2021, at 2:00 p.m., for the following purposes:

- (a) to determine whether, for settlement purposes, this Action satisfies the applicable prerequisites for class action treatment under Florida Rule 1.220;
- (b) to determine whether the proposed Settlement is fair, reasonable, and adequate, and should be approved by this Court;
- (c) to determine whether the Judgment as provided under the Stipulation should be entered;
- (d) to determine whether the proposed Plan of Allocation should be approved by this Court as fair, reasonable and adequate;
- (e) to consider Plaintiffs' Counsel's application for an award of attorneys' fees and expenses;
- (f) to consider Plaintiffs' request for awards pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") for their efforts in prosecuting the Actions on behalf of the Settlement Class; and
- (g) to rule upon such other matters as this Court may deem appropriate.<sup>2</sup>

4. The Court reserves the right to approve the Settlement with or without modification and with or without further notice to the Settlement Class and may adjourn the Settlement Fairness Hearing without further notice to the Settlement Class. The Court reserves the right to enter the Judgment approving the Settlement regardless of whether it has approved the Plan of Allocation, Plaintiffs' Counsel's request for an award of attorneys' fees and

expenses, and/or Plaintiffs' request for payment for their representation of the Settlement Class.

5. The Court approves the form, substance and requirements of the Notice of Proposed Settlement of Class Actions (the "Notice"), the Proof of Claim and Release form (the "Proof of Claim"), and the Summary Notice of Proposed Settlement of Class Actions (the "Summary Notice"), annexed hereto as Exhibits 1, 2 and 3, respectively.

6. The Court approves the firm of Gilardi & Co. LLC as the Claims Administrator to supervise and administer the notice procedure in connection with the proposed Settlement as well as the processing of Proofs of Claim, as set forth more fully below.

7. Within ten (10) calendar days of the entry of this Order, ADT shall provide or cause to be provided to the Claims Administrator, at no cost, a list or lists of ADT shareholders as appropriate for providing notice to the Settlement Class.

8. Within twenty-one (21) calendar days of the entry of this Order (the "Notice Date"), the Claims Administrator shall cause the Notice and the Proof of Claim, substantially in the forms annexed hereto, to be mailed, by first class mail, postage prepaid, to all Settlement Class Members who can be identified based on the list(s) provided by ADT, and shall notify nominee purchasers such as brokerage firms and other persons or entities who purchased or otherwise acquired ADT common stock during the Settlement Class Period as record owners but not as beneficial owners. Such nominee purchasers are directed, within ten (10) business days of their receipt of the Notice, to either forward copies of the Notice and Proof of Claim to their beneficial owners or to provide the Claims Administrator with lists of the names and addresses of the beneficial owners, and the Claims Administrator is ordered to send the Notice and Proof of Claim promptly to such identified beneficial owners. Nominee purchasers who elect to send the Notice and Proof of Claim to their beneficial owners shall send a statement to the Claims Administrator confirming that the mailing was made as directed. Additional copies of the Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notice and Proof of Claim to beneficial owners.

9. The Claims Administrator shall cause the Summary Notice to be published once in the national edition of The Wall Street Journal, and once over a national newswire service, within ten (10) calendar days after the mailing of the Notice. The Claims Administrator shall provide further notice to the Settlement Class within fourteen (14) calendar days of the entry of this Order by causing the Stipulation, the Notice, and the Proof of Claim to be placed on the Settlement Website.

10. At least fourteen (14) calendar days before the Settlement Fairness Hearing, State Court Lead Counsel shall file with the State Court and serve on the Parties proof of mailing of the Notice and Proof of Claim and proof of publication of the Summary Notice.

11. The form and content of the Notice and the Summary Notice, and the method set forth herein of notifying the Settlement Class of the Settlement and its terms and conditions, meet the requirements of Florida law and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

12. Each Settlement Class Member shall take the following actions and be subject to the following conditions to be entitled to participate in the Net Settlement Fund:

(a) Each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim, substantially in a form contained in Exhibit 2 attached hereto and as approved by the State Court, signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim and as are reasonably available to the Authorized Claimant, within ninety (90) calendar days after the Notice Date.

(b) Except as otherwise ordered by the Court, all Settlement Class Members who fail to timely submit a Proof of Claim within such period, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement set forth therein, but will in all other respects be subject to and bound by the provisions of the Stipulation, including the releases contained therein, and the Judgment. Notwithstanding the foregoing, State Court Lead Counsel may, in its discretion, accept late submitted claims for processing so long as the distribution of the Net Settlement

Fund to Authorized Claimants is not materially delayed. No Person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Defendants, Defendants' Counsel, or the Claims Administrator because of State Court Lead Counsel's decision whether or not to exercise such discretion.

(c) As part of the Proof of Claim, each Settlement Class Member shall submit to the jurisdiction of this Court with respect to the claim submitted, and shall (subject to the Settlement becoming effective) release all Released Claims as provided in the Stipulation.

13. Settlement Class Members shall be bound by all determinations and judgments in this Action, whether favorable or unfavorable, unless they request exclusion from the Settlement Class in a timely and proper manner, as hereinafter provided. A Settlement Class Member wishing to make such request shall mail a request for exclusion in written form by first class mail postmarked to the address designated in the Notice no later than sixty (60) calendar days after the Notice Date. Such request for exclusion shall clearly indicate the name, address and telephone number of the person seeking exclusion, that the sender requests to be excluded from the Settlement Class, and must be signed by such person. Such persons requesting exclusion are also directed to state the date(s), price(s), and number of shares of ADT common stock they purchased or acquired in the period from January 19, 2018 through and including May 21, 2018. The request for exclusion shall not be effective unless it is made in writing within the time stated above, includes the information described above, and is accepted by the Court. Settlement Class Members requesting exclusion from the Settlement Class shall not be entitled to receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

14. The Court will consider objections to the Settlement, the Plan of Allocation, the payment to Plaintiffs, and/or the award of attorneys' fees and expenses. Any person wanting to object must do so in writing and may also appear at the Settlement Fairness Hearing. To the extent any person wants to object in writing, such objections and any supporting papers, accompanied by proof of Settlement Class membership, shall be filed with the Clerk of the Court, Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, 205 North Dixie Highway, West Palm Beach, Florida 33401, no later than December 30, 2020, which is sixty (60) calendar days after the date set for mailing of the Notice to the Settlement

Class, and mail copies of all such papers no later than December 30, 2020, to each of the following: Ellen Gusikoff Stewart, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, on behalf of the Plaintiffs and the Settlement Class, and Andrew J. Ehrlich, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019-6064, on behalf of the ADT Defendants. Persons who intend to object in writing to the Settlement, the Plan of Allocation, the request for an award of attorneys' fees and expenses and/or Plaintiffs' request for awards pursuant to the PSLRA for representing the Settlement Class and desire to present evidence at the Settlement Fairness Hearing must include in their written objections copies of any exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. If an objector wishes to be represented by counsel, the objector's attorney must both effect service of a notice of appearance on counsel listed above and file it with the Court by no later than December 30, 2020. A Settlement Class Member who files a written objection does not have to appear at the Settlement Fairness Hearing for the Court to consider the objection. Any member of the Settlement Class who does not object in the manner provided shall be deemed to have waived such objection and shall be forever barred from making any objection to any aspect of the Settlement set forth in the Stipulation, to the Plan of Allocation, and to the award of attorneys' fees and expenses to Plaintiffs' Counsel and Plaintiffs' request for payment, unless otherwise ordered by the Court. Settlement Class Members who do not object need not appear at the Settlement Fairness Hearing or take any other action to indicate their approval.

15. All papers in support of the Settlement, the Plan of Allocation, and any application by Plaintiffs' Counsel for attorneys' fees and expenses and awards to Plaintiffs shall be filed fourteen (14) calendar days prior to the deadline in paragraph 14 for objections to be filed. All reply papers shall be filed and served at least seven (7) calendar days prior to the Settlement Fairness Hearing.

16. All funds held by the Escrow Agent shall be deemed and considered to be in custodia legis of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the

Court.

17. Defendants' Counsel and Plaintiffs' Counsel shall promptly furnish each other with copies of any and all objections that come into their possession.

18. Pending final determination of whether the Settlement should be approved, Plaintiffs, all Settlement Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence, maintain or prosecute, and are hereby barred and enjoined from instituting, commencing, maintaining or prosecuting, any action in any court or tribunal that asserts Released Claims against any of the Released Parties.

19. All proceedings in the Action, other than proceedings as may be necessary to carry out the terms and conditions of the Stipulation, are hereby stayed and suspended until further order of this Court.

20. All reasonable expenses incurred in identifying and notifying Settlement Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the Stipulation and herein. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither Plaintiffs nor any of their counsel shall have any obligation to repay any amounts actually and properly disbursed from the Settlement Fund, except as provided for in the Stipulation.

21. If any specified condition to the Settlement set forth in the Stipulation is not satisfied and Plaintiffs or Defendants elect to terminate the Settlement, then, the Stipulation, including any amendment(s) thereof, shall be null and void and of no further force or effect (except to the extent otherwise expressly provided in the Stipulation), without prejudice to any party, and may not be introduced as evidence or referred to in this Action, or any action or proceeding by any person or entity for any purpose, and each party shall be restored to his, her or its respective position as it existed on October 25, 2019.

22. The Court may adjourn or continue the Settlement Fairness Hearing and may, for good cause shown, extend any of the deadlines set forth in this Order, without further notice to the Settlement Class.

23. The Court retains exclusive jurisdiction over this Action to consider all further



matters arising out of or connected with the Settlement. The Court may approve the Settlement, with such modifications as may be agreed by the Parties, if appropriate, without further notice to the Settlement Class.

DONE AND ORDERED in West Palm Beach, Palm Beach County, Florida.

 THE  
50-2018-CA-003494-XXXX-MB 10/15/2020  
15TH JUDICIAL CIRCUIT  
Donald Hafele Judge  
ADMINISTRATIVE OFFICE OF THE COURT  
50-2018-CA-003494-XXXX-MB 10/15/2020  
Donald Hafele  
Judge

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1 “Investment Vehicle” means any investment company or pooled investment fund, including, but not limited to, mutual fund families, exchange traded funds, fund of funds, and hedge funds, in which any of the Underwriter Defendants and/or STRH or any of the Apollo Defendants have, has or may have a direct or indirect interest, or as to which its affiliates may act as an investment advisor, but in which any of the Underwriter Defendants and/or STRH or any of the Apollo Defendants alone or together with its respective affiliates is not a majority owner of does not hold a majority beneficial interest.

2 The Court may decide to hold the Settlement Fairness Hearing telephonically or by video conference, or to change the date or time of the Settlement Fairness Hearing, in which case notice to the Settlement Class will be posted on the website established by the Claims Administrator for purposes of this Settlement ([www.ADTSecuritiesLitigation.com](http://www.ADTSecuritiesLitigation.com)) (the “Settlement Website”).