

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:

ALL ACTIONS.

ORDER AND FINAL JUDGMENT
GRANTING MOTION FOR APPROVAL OF
CLASS ACTION SETTLEMENT

WHEREAS, the Parties,[1] through their counsel, have agreed, subject to this Court's approval following notice to the Settlement Class and a hearing, to settle this Action and a similar action entitled *Perdomo v. ADT Inc.* formerly pending in the United States District Court for the Southern District of Florida (the "Federal Action" and, together with this Action, the "Actions"), [2] upon the terms and conditions set forth in the Stipulation of Settlement dated September 15, 2020 (the "Stipulation" or "Settlement"); and

WHEREAS, on October 15, 2020, this Court entered its Order Preliminarily Approving Settlement and Providing for Notice, which preliminarily approved the Settlement, and approved the form and manner of notice to the Settlement Class of the Settlement, and said notice has been made, and the Settlement Fairness Hearing having been held on January 12, 2021; and

WHEREAS, no Settlement Class Member objected to the Settlement, the Plan of Allocation, or the proposed award of attorneys' fees and expenses to Plaintiffs' Counsel and awards to Plaintiffs in writing or at the Settlement Fairness Hearing;

NOW, THEREFORE, based upon the Stipulation and all of the filings, records and proceedings herein, and it appearing to this Court upon examination that the Settlement set forth

in the Stipulation is fair, reasonable and adequate;

IT IS ORDERED AND ADJUDGED THAT:

1. The provisions of the Stipulation, including definitions of the terms used therein, are hereby incorporated by reference as though fully set forth herein.

2. This Court has jurisdiction over the subject matter of this Action and, while certain Defendants have contested this Court's personal jurisdiction, all Defendants have consented to the Court's personal jurisdiction for settlement purposes only, and the Court has personal jurisdiction over Plaintiffs and all Settlement Class Members for settlement purposes.

3. The form, content, and method of dissemination of notice given to the Settlement Class was adequate and reasonable and constituted the best notice practicable under the circumstances, including individual notice to all Settlement Class Members who could be identified through reasonable effort.

4. Notice, as given, complied with the requirements of Florida law, satisfied the requirements of due process, and constituted due and sufficient notice of the matters set forth herein.

5. The Settlement, as set forth in the Stipulation, is fair, reasonable, and adequate.

(a) The Settlement was negotiated at arm's length by Plaintiffs on behalf of the Settlement Class and by Defendants, all of whom were represented by highly experienced counsel. The case settled only after, among other things: (i) Plaintiffs' Counsel's investigation of Plaintiffs' claims, which included, among other things, a review of ADT's press releases, U.S. Securities and Exchange Commission filings, analyst reports, media reports, and other publicly disclosed reports and information about the Defendants; (ii) the drafting and submission of detailed complaints; (iii) motion practice directed toward the sufficiency of the complaints in both this Court and in the Federal Court and jurisdictional issues in this Court; and (iv) a mediation conducted by an experienced mediator. Accordingly, both the Plaintiffs and Defendants were well-positioned to evaluate the settlement value of the Actions. The Stipulation has been entered into in good faith and is not collusive.

(b) If the Settlement had not been achieved, both Plaintiffs and Defendants faced

the expense, risk, and uncertainty of extended litigation.

6. Plaintiffs and Plaintiffs' Counsel have fairly and adequately represented the interest of the Settlement Class Members in this Action and in connection with the Settlement.

7. Plaintiffs, all Settlement Class Members, and Defendants are hereby bound by the terms of the Settlement set forth in the Stipulation, including the releases set forth therein.

8. The Settlement on the terms set forth in the Stipulation is approved as fair, reasonable, and adequate. The Settlement shall be consummated in accordance with the terms and provisions of the Stipulation. The Parties are to bear their own costs, except as otherwise provided in the Stipulation.

9. The Action is hereby dismissed with prejudice as to Plaintiffs and all Settlement Class Members. The Parties are to bear their own costs, except as otherwise provided herein and in the Stipulation.

10. Pursuant to Florida Rule 1.220(b)(3), this Court certifies the following Settlement Class for purpose of effectuating the Settlement:

“Settlement Class” and “Settlement Class Members” mean 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[3] shall not be excluded from the Settlement Class. Also excluded from the Settlement Class are those Persons who would otherwise be Settlement Class Members but who timely and validly excluded themselves therefrom, as identified in Exhibit A hereto.

11. For purposes of Settlement, the State Court finds that the Settlement Class meets all requirements of Florida Rules 1.220(a) and (b)(3) for certification of the claims alleged, including (i) numerosity; (ii) commonality; (iii) typicality; (iv) adequacy of Plaintiffs and

Plaintiffs' Counsel; (v) predominance of common questions of fact and law; and (vi) superiority.

12. All Released Parties as defined in the Stipulation are released in accordance with, and as defined in, the Stipulation.

13. Upon the Effective Date, Plaintiffs and each Settlement Class Member shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Parties, whether or not such Settlement Class Member executes and delivers a Proof of Claim and Release.

14. Upon the Effective Date, each of the Released Parties shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released Plaintiffs, Plaintiffs' Counsel, and each and all of the Settlement Class Members from all Released Defendants' Claims.

15. All future claims for contribution arising out of the Released Claims (a) by any Person against any Released Party, and (b) by any Released Party against any Person, other than a Person whose liability has been extinguished by the Settlement, are hereby barred. Notwithstanding the foregoing, nothing herein shall release or alter the contractual rights, if any, under the terms of any written agreement (i) between or among the Underwriter Defendants and STRH, or (ii) between the Underwriter Defendants, the Apollo Defendants, or STRH, on the one hand, and ADT, on the other hand. Further, the bar order shall not preclude the Underwriter Defendants, the Apollo Defendants and/or STRH from seeking to enforce any right of indemnification or contribution with respect to the payment of the Settlement Amount or defense costs.

16. All Settlement Class Members who have not objected to the Settlement in the manner provided in the Notice of Proposed Settlement of Class Actions ("Notice") are deemed to have waived any objections by appeal, collateral attack, or otherwise.

17. All Settlement Class Members who have failed to properly submit Requests for Exclusion (requests to opt out) from the Settlement Class are bound by the terms and conditions of the Stipulation and this Judgment.

18. No person or entity has submitted a valid Request for Exclusion from the Settlement.

19. All other provisions of the Stipulation are incorporated by reference into this Judgment as if fully set forth herein.

20. Plaintiffs and all Settlement Class Members are hereby permanently barred and enjoined from instituting, commencing, maintaining, or prosecuting in any court or tribunal any of the Released Claims against any of the Released Parties.

21. Neither the Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement, including this Final Order and Judgment:

(a) Shall be offered or received against Defendants as evidence of, or evidence supporting, a presumption, concession, or admission with respect to any liability, negligence, fault, or wrongdoing, or in any way referred to as against Defendants, or as to any weakness or infirmity of any defense asserted by Defendants, in any civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; provided, however, that Defendants may refer to documents to effectuate the liability protection granted them thereunder, and nothing in the Settlement shall restrict the ability of any Party to advocate in favor or against the applicability of any offset to any claims asserted in any other action based on any amount paid herein;

(b) Shall be construed as or received in evidence as an admission, concession, or presumption against Plaintiffs or any of the Settlement Class Members that any of their claims are without merit, or that any defenses asserted by Defendants have any merit, or that damages recoverable under the complaints in the Actions, or any subsequent operative complaint filed in the Actions would not have exceeded the Settlement Fund; and

(c) Notwithstanding the foregoing, Defendants, Plaintiffs, Settlement Class Members and/or the Released Parties may file the Stipulation and/or this Order and Final Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim or issue preclusion or similar defense or counterclaim.

22. This Court hereby finds and concludes that due and adequate notice was directed to all Persons and entities who are Settlement Class Members advising them of the Plan of Allocation and of their right to object thereto, and a full and fair opportunity was accorded to all Persons and entities who are Settlement Class Members to be heard with respect to the Plan of Allocation.

23. This Court hereby finds and concludes that the formula for the calculation of the claims of Authorized Claimants, which is set forth in the Notice sent to Settlement Class Members, provides a fair and reasonable basis upon which to allocate the proceeds of the Net Settlement Fund established by the Stipulation among Settlement Class Members, with due consideration having been given to administrative convenience and necessity.

24. Nothing in the Settlement restricts the ability of any Party to advocate in favor of or against the applicability of any offset to any claims asserted in any other action based on any amount paid to Authorized Claimants through the Settlement.

25. Plaintiffs' Counsel are hereby awarded attorneys' fees of 33 1/3% of the Settlement Fund, plus Plaintiffs' Counsel's expenses in the amount of \$144,266.34 together with the interest earned thereon on such amounts for the same time period and at the same rate as that earned on the Settlement Amount (the "Fee and Expense Award"), to be paid from the Settlement Fund. The amount of fees and expenses awarded are appropriate, fair and reasonable given the contingent nature of the case and the substantial risks of non-recovery, the time and effort involved, and the result obtained for the Settlement Class.

26. The Fee and Expense Award shall be paid to State Court Lead Counsel from the Settlement Fund immediately upon entry of this Judgment, subject to the terms, conditions, and obligations of the Stipulation, which terms, conditions, and obligations are incorporated herein.

27. Pursuant to 15 U.S.C. §77z-1(a)(4), payment is awarded to Plaintiffs Richard Krebsbach, Howard Katz, Daniel M. Sweet, Robert Lowinger and Husam Asaff in the amount of \$2,500, \$2,500, \$2,500, \$2,500, and \$2,500, respectively. Such payments are appropriate considering their active participation as Plaintiffs in the Actions, as attested to by their

declarations submitted herein. Such payments shall be made from the Settlement Fund after the Effective Date and after this Judgment awarding payments has become Final.

28. For the avoidance of doubt, Defendants shall have no responsibility for, and no liability with respect to, payment of the Fee and Expense Award or the awards to Plaintiffs beyond payment of the Settlement Amount, which ADT has paid or caused to be paid. No Defendant other than ADT shall be responsible to pay any part of the Settlement Amount.

29. In the event that the Stipulation is terminated in accordance with its terms: (i) this Judgment shall be rendered null and void and shall be vacated *nunc pro tunc*; and (ii) the litigation shall proceed as provided in the Stipulation.

30. Without affecting the finality of this Judgment in any way, this Court retains continuing jurisdiction over the implementation of the Settlement and disposition of the Settlement.

DONE AND ORDERED IN PALM BEACH COUNTY, FLORIDA.

FINAL DISPOSITION FORM
(Fla.R.Civ.P. Form 1.998)
THE CLERK IS DIRECTED TO CLOSE THIS
FILE MEANS OF FINAL DISPOSITION
Dismissed Before Hearing

 THE
50-2018-CA-003494-XXXX-MB 01/07/2021
13th JUDICIAL CIRCUIT
Donald Hafele Judge
ADMINISTRATIVE OFFICE OF THE COURT
50-2018-CA-003494-XXXX-MB 01/07/2021
Donald Hafele
Judge

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1. As used herein, the term “Parties” means State Court Plaintiffs Goldstrand Investments Inc., Richard Krebsbach, Howard Katz, Daniel M. Sweet and Robert Lowinger and Federal Court Lead Plaintiff Husam Asaff (together with the State Court Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (as defined below), and Defendants ADT Inc. (“ADT”), James DeVries, Marc E. Becker, Reed B. Rayman, Matthew H. Nord, Andrew D. Africk, Eric L. Press, Lee J. Solomon, Stephanie Drescher, Brett Watson, David Ryan, Timothy J. Whall, P. Gray Finney, Jeffrey Likosar (the “Individual Defendants”), Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, Barclays Capital Inc., Deutsche Bank Securities Inc., RBC Capital Markets, LLC, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Apollo Global Securities, LLC, Imperial Capital, LLC, Citizens Capital Markets, Inc., Allen & Company LLC, LionTree Advisors LLC, Academy Securities, Inc., Siebert Williams Shank & Co., LLC (successor-by-merger to The

Williams Capital Group, L.P.) (the “Underwriter Defendants”), Apollo Global Management, LLC, Prime Security Services TopCo Parent, L.P., Apollo Management, L.P., Apollo Management GP, LLC, Apollo Management Holdings, L.P., and Apollo Management Holdings GP, LLC (the “Apollo Defendants”) and SunTrust Robinson Humphrey, Inc., now known as Truist Securities, Inc. (“STRH”) (together, “Defendants”).

2 The Federal Action also names as defendants Prime Security Services TopCo Parent GP, LLC, AP VIII Prime Security Services Holdings, L.P., and AP VIII Prime Security Service Management, LLC.

3 “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 or does not hold a majority beneficial interest.