

**UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION**

<b>In the Matter of</b>	)	
	)	
<b>ADT LLC,</b>	)	<b>FILE NO. 122 3121</b>
<b>a limited liability company.</b>	)	<b>AGREEMENT CONTAINING</b>
	)	<b>CONSENT ORDER</b>
	)	

The Federal Trade Commission (“Commission”) has conducted an investigation of certain acts and practices of ADT LLC, a limited liability company, (“Proposed Respondent”). Proposed Respondent, having been represented by counsel, is willing to enter into an agreement containing a consent order resolving the allegations contained in the attached draft complaint. Therefore,

**IT IS HEREBY AGREED** by and between ADT LLC, by its duly authorized officer, and counsel for the Federal Trade Commission that:

1. Proposed Respondent ADT LLC (“ADT”), also doing business as ADT Security Services, is a Delaware limited liability company with its principal office or place of business at 1501 Yamato Road, Boca Raton, Florida, 33431.
2. Proposed Respondent admits all the jurisdictional facts set forth in the draft complaint.
3. Proposed Respondent waives:
  - a. Any further procedural steps;
  - b. The requirement that the Commission’s decision contain a statement of findings of fact and conclusions of law; and
  - c. All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement.
4. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission, it, together with the draft complaint, will be placed on the public record for a period of thirty (30) days and information about it will be publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision in disposition of the proceeding.

5. Proposed Respondent neither admits nor denies any of the allegations in the draft complaint, except as specifically stated in this order. Only for purposes of this action, Proposed Respondent admits the facts necessary to establish jurisdiction.

6. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to Proposed Respondent, (1) issue its complaint corresponding in form and substance with the attached draft complaint and its decision containing the following order in disposition of the proceeding, and (2) make information about it public. When so entered, the order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time frame provided by statute for other orders. The order shall become final upon service. Delivery of the complaint and the decision and order to Proposed Respondent's address as stated in this agreement by any means specified in Section 4.4(a) of the Commission's Rules shall constitute service. Proposed Respondent waives any right it may have to any other manner of service. The complaint may be used in construing the terms of the order, and no agreement, understanding, representation, or interpretation not contained in the order or the agreement may be used to vary or contradict the terms of the order.

7. Proposed Respondent has read the draft complaint and consent order. Proposed Respondent understands that it may be liable for civil penalties in the amount provided by law and other appropriate relief for each violation of the order after it becomes final.

## **ORDER**

### **DEFINITIONS**

For purposes of this order, the following definitions shall apply:

1. Unless otherwise specified, "Respondent" shall mean ADT LLC, a limited liability company, its successors and assigns, and its officers, agents, representatives, and employees.
2. "Commerce" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
3. "Material connection" shall mean any relationship that materially affects the weight or credibility of any endorsement and that would not be reasonably expected by consumers.
4. "Endorsement" shall mean as defined in the Commission's Guides Concerning the Use of Endorsements and Testimonials in Advertising, 16 C.F.R. § 255.0.
5. "Endorser" shall mean an individual or organization that provides an Endorsement.

6. “Clearly and prominently” shall mean:
- A. In textual communications (e.g., printed publications or words displayed on the screen of a computer), the required disclosures are of a type, size, and location sufficiently noticeable for an ordinary consumer to read and comprehend them, in print that contrasts with the background on which they appear;
  - B. In communications disseminated orally or through audible means (e.g., radio or streaming audio), the required disclosures are delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend them;
  - C. In communications disseminated through video means (e.g., television or streaming video), the required disclosures are in writing in a form consistent with subparagraph (A) of this definition and shall appear on the screen for a duration sufficient for an ordinary consumer to read and comprehend them, and in the same language as the predominant language that is used in the communication. *Provided, however,* that, for communications disseminated through programming over which Respondent does not have editorial control (e.g., an endorser’s appearance on a news program or talk show), the required disclosures may be made in a form consistent with subparagraph (B) of this definition;
  - D. In communications made through interactive media, such as the Internet, online services, and software, the required disclosures are unavoidable and presented in a form consistent with subparagraph (A) of this definition, in addition to any audio or video presentation of them; and
  - E. In all instances, the required disclosures are presented in an understandable language and syntax, and with nothing contrary to, inconsistent with, or in mitigation of the disclosures used in any communication of them.
7. The term “including” in this order shall mean “without limitation.”
8. The terms “and” and “or” in this order shall be construed conjunctively or disjunctively as necessary, to make the applicable phrase or sentence inclusive rather than exclusive.

## I.

**IT IS THEREFORE ORDERED** that Respondent, directly or through any corporation, partnership, subsidiary, division, trade name, or other means, in connection with the advertising, labeling, promotion, offering for sale, sale, or distribution of any security or monitoring product or service, in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication, that a discussion or demonstration of the security or monitoring product or service is an independent review provided by an impartial expert.

## II.

**IT IS FURTHER ORDERED** that Respondent, directly or through any corporation, partnership, subsidiary, division, trade name, or other means, in connection with the advertising, labeling, promotion, offering for sale, sale, or distribution of any security or monitoring product or service, in or affecting commerce, by means of an endorsement, shall clearly and prominently disclose a material connection, if one exists, between such endorser and Respondent.

## III.

**IT IS FURTHER ORDERED** that Respondent shall, within seven (7) days of the date of service of this order, take all reasonable steps to remove any demonstration, review, or endorsement, by an endorser with a material connection to Respondent, of any security or monitoring product or service currently viewable by the public that does not comply with Parts I and II of this order.

## IV.

**IT IS FURTHER ORDERED** that Respondent, directly or through any corporation, partnership, subsidiary, division, trade name, or other device, in connection with the advertising, labeling, promotion, offering for sale, sale, or distribution of any security or monitoring product or service, in or affecting commerce, by means of an endorsement by an endorser with a material connection to Respondent, shall take steps sufficient to ensure compliance with Parts I and II of this order. Such steps shall include, at a minimum:

- A. Providing each such endorser with a clear statement of his or her responsibility to disclose, clearly and prominently, in any television appearance, blog posting, or other communication, the endorser's material connection to Respondent, and obtaining from each such endorser a signed and dated statement acknowledging receipt of that statement and expressly agreeing to comply with it;
- B. Establishing, implementing, and thereafter maintaining a system to monitor and review the representations and disclosures of endorsers with material connections to Respondent to ensure compliance with Parts I and II of this order. The system shall include, at a minimum, monitoring and reviewing its endorsers' television and radio appearances, web sites, and blogs;
- C. Immediately terminating and ceasing payment to any endorser with a material connection to Respondent who Respondent reasonably concludes:
  - 1. Has misrepresented, in any manner, his or her independence and impartiality; or
  - 2. Has failed to disclose, clearly and prominently, a material connection between such endorser and Respondent; and

D. Creating, and thereafter maintaining, reports sufficient to show the monitoring required by subpart B of this Part.

## V.

**IT IS FURTHER ORDERED** that Respondent shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon reasonable notice make available to the Federal Trade Commission for inspection and copying, any documents, whether prepared by or on behalf of Respondent, that:

- A. Comprise or relate to complaints or inquiries, whether received directly, indirectly, or through any third party, concerning any endorsement made or disseminated by Respondent, and any responses to those complaints or inquiries;
- B. Are reasonably necessary to demonstrate full compliance with each provision of this order, including, but not limited to, all documents obtained, created, generated, or which in any way relate to the requirements, provisions, terms of this order, and all reports submitted to the Commission pursuant to this order;
- C. Contradict, qualify, or call into question Respondent's compliance with this order; and
- D. Are acknowledgments of receipt of this order obtained pursuant to Part VI.

## VI.

**IT IS FURTHER ORDERED** that Respondent shall deliver a copy of this order to all officers and directors, and to all current and future managers, employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each person a signed and dated statement acknowledging receipt of this order. Respondent shall deliver this order to current personnel within thirty (30) days after date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

## VII.

**IT IS FURTHER ORDERED** that Respondent shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including, but not limited to, dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which Respondent learns less than thirty (30) days prior to the date such action is to take place, the Respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. Unless otherwise directed by a representative of the Commission in writing, all

notices required by this Part shall be emailed to [Debrief@ftc.gov](mailto:Debrief@ftc.gov) or sent by overnight courier to: Associate Director of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: In the Matter of ADT LLC, FTC File No. 122-3121.

### VIII.

**IT IS FURTHER ORDERED** that Respondent, within sixty (60) days after the date of service of this order, shall file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form in which it has complied with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, it shall submit additional true and accurate written reports.

### IX.

This order will terminate twenty (20) years from the date of its issuance, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years; and
- B. This order if such complaint is filed after the order has terminated pursuant to this Part.

*Provided, further*, that if such complaint is dismissed or a federal court rules that Respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

ADT LLC

By: \_\_\_\_\_  
NAREN GURSAHANEY  
President  
ADT LLC  
Date: \_\_\_\_\_

\_\_\_\_\_  
WILLIAM C. MACLEOD  
Counsel for Respondent  
Date: \_\_\_\_\_

\_\_\_\_\_  
MICHELLE K. RUSK  
Counsel for the Federal Trade Commission  
Date: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
MARY K. ENGLE  
Associate Director  
Division of Advertising Practices

\_\_\_\_\_  
JESSICA L. RICH  
Director  
Bureau of Consumer Protection