ADT Corp
Form DEFA14A
April 01, 2016

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box;

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

x Definitive Additional Materials

¨ Soliciting Material Pursuant to Rule 14a-12

The ADT Corporation

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Forward Looking Statements

This communication contains certain information that may constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. While we have specifically identified certain information as being forward-looking in the context of its presentation, we caution you that all statements contained in this communication that are not clearly historical in nature, including statements regarding business strategies, market potential, future financial performance, the effects of the separation of ADT from Tyco International plc (Tyco), and other matters, are forward-looking. Without limiting the generality of the preceding sentence, any time we use the words anticipate, estimate, expect, project, intend, plan, believe, and similar expressions, we intend to clea that the information deals with possible future events and is forward-looking in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking.

Forward-looking information involves risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such statements. Specific factors that could cause actual results to differ from results contemplated by forward-looking statements include, among others, the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the inability to complete the proposed merger due to the failure to obtain stockholder approval for the proposed merger or the failure to satisfy other conditions to completion of the proposed merger, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; risks regarding the failure of Prime Security Services Borrower, LLC, Prime Security Services Parent, Inc. or Prime Security Services TopCo Parent, L.P. to obtain the necessary financing to complete the proposed merger; risks related to disruption of management s attention from the Company s ongoing business operations due to the transaction; the effect of the announcement of the proposed merger on the Company s relationships with its customers, operating results and business generally; the risk that the proposed merger will not be consummated in a timely manner; exceeding the expected costs of the merger; our ability to keep pace with the rapid technological and industry changes in order to develop or acquire new technologies for our products and services that achieve market acceptance with acceptable margins; competition in the markets we serve, including the home automation market, which may result in pressure on our profit margins and limit our ability to maintain the market share of our products and services; an increase in the rate of customer attrition, including impact to our depreciation and amortization expenses or impairment of assets related to our security monitoring services; changes in the housing market and consumer discretionary income; failure to maintain the security of our information and technology networks, including personally identifiable information and other data, our products may be subject to potential vulnerabilities of wireless and Internet of Things devices, and our services may be subject to hacking or other unauthorized access to control or view systems and obtain private information; our dependence on certain software technology that we license from third parties, and failure or interruption in products or services of third-party providers; interruption to our monitoring facilities; failure to realize expected benefits from acquisitions and investments; risks associated with pursuing business opportunities that diverge from our current business model; potential loss of customer generation strategies through our independent, third party authorized dealers and affinity marketing programs; risks associated with acquiring and integrating customer accounts; unauthorized use of our brand name by third parties; risks associated with ownership of the ADT® brand name outside of the United States and Canada by Tyco and other third parties; failure to enforce our intellectual property rights; allegations that we have infringed the intellectual property rights of third parties; failure of our independent, third party authorized dealers to mitigate certain risks; failure to continue to execute a competitive, profitable pricing structure; shifts in consumers choice of, or telecommunication providers support for, telecommunication services and equipment; current and potential securities litigation; increase in government regulation of telemarketing, e-mail marketing and other marketing methods may increase our costs and restrict growth of our business; changes in U.S. and non-U.S. governmental laws and regulations; imposition by local governments of assessments, fines, penalties and limitations on either us or our customers for false alarms; refusal to respond to calls from monitored security service companies, including us, by police departments in certain U.S. and Canadian jurisdictions; our greater exposure to liability for employee acts or omissions or system failures; interference with our customers access to some of our products and services through the Internet by broadband service providers or potential change in government regulations relating to the internet; potential impairment of our deferred tax assets; inability to hire and retain key personnel, including an effective sales force; adverse developments in our relationship with our employees; capital market conditions, including availability of funding sources for us and our suppliers; changes in our credit ratings; risks related to our increased indebtedness, including our ability to meet certain financial covenants in our debt instruments; impact of any material adverse legal judgments, fines, penalties or settlements; exposure to counterparty risk in our hedging agreements; fluctuations in foreign currency exchange rates; potential liabilities for legacy obligations relating to the separation from Tyco; volatility in the market price of our stock; and failure to fully realize expected benefits from the separation from Tyco.

Therefore, caution should be taken not to place undue reliance on any such forward-looking statements. Much of the information in this communication that looks towards future performance of the Company is based on various factors and important assumptions about future events that may or may not actually occur. As a result, our operations and financial results in the future could differ materially and substantially from those we have discussed in the forward-looking statements included in this communication. We assume no obligation (and specifically disclaim any such obligation) to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

For additional discussion of potential risks and uncertainties that could impact our results of operations or financial position, refer to Part I, Item 1A. Risk Factors in our 2015 Form 10-K. There have been no material changes to the risk factors disclosed in Part I, Item 1A. Risk Factors in our 2015 Form 10-K.

Additional Information and Where to Find It

This filing may be deemed solicitation material in respect of the proposed acquisition of the Company by Parent. In connection with the proposed merger transaction, the Company filed with the SEC a definitive proxy statement on March 25, 2016 and has furnished to the Company s stockholders the definitive proxy statement and other relevant documents. This filing does not constitute a solicitation of any vote or approval. The Company s stockholders are urged to read the definitive proxy statement and any other documents filed with the SEC in connection with the proposed merger or incorporated by reference in the definitive proxy statement because they will contain important information about the proposed merger.

Investors may obtain free of charge the definitive proxy statement and other documents filed with the SEC at the SEC s website at http://www.sec.gov. In addition, the definitive proxy statement and the Company s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through the Company s website at www.adt.com. as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC.

The directors, executive officers and certain other members of management and employees of the Company may be deemed participants in the solicitation of proxies from stockholders of the Company in favor of the proposed merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of the Company in connection with the proposed merger is set forth in the definitive proxy statement and the other relevant documents filed with the SEC. You can find information about the Company s executive officers and directors in its Annual Report on Form 10-K for the fiscal year ended September 25, 2015, in its definitive proxy statement filed with the SEC on Schedule 14A on January 22, 2016 and in the definitive proxy statement relating to the proposed merger transaction filed with the SEC on Schedule 14A on March 25, 2016.

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d)

of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 1, 2016 (April 1, 2016)

The ADT Corporation

(Exact name of registrant as specified in its charter)

Delaware	**001-35502**	**45-4517261**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

1501 Yamato Road

Boca Raton, Florida 33431

(Address of principal executive offices, including Zip Code)

(561) 988-3600

(Registrant s telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On April 1, 2016, Prime Security Services Borrower, LLC (together with its subsidiaries, Protection 1) announced that The ADT Corporation (the Company) (NYSE: ADT) has commenced consent solicitations (the Consent Solicitations) from holders of its 5.250% Senior Notes due 2020 (the 2020 Notes), 6.250% Senior Notes due 2021 (the 2021 Notes), 3.500% Notes due 2022 (the 2022 Notes), 4.125% Senior Notes due 2023 (the 2023 Notes) and 4.875% Notes due 2042 (the 2042 Notes and, together with the 2020 Notes, the 2021 Notes, the 2022 Notes and the 2023 Notes, the Consent Notes). The record date to determine holders of the Consent Notes eligible to consent is March 31, 2016.

Also on April 1, 2016, Prime Security One MS, Inc. (the Offeror), a wholly owned subsidiary of Protection 1, launched (i) tender offers to purchase (the Tender Offers) any and all of ADT s outstanding $750,000,000 aggregate principal amount of 2.250% Notes due 2017 (the 2017 Notes) and $500,000,000 aggregate principal amount of 4.125% Senior Notes due 2019 (the 2019 Notes and, together with the 2017 Notes, the Short-Term ADT Notes) as well as (ii) an offer to exchange (the Exchange Offer) new 4.875% First-Priority Senior Secured Notes due 2032 (the Exchange Notes) for any and all of ADT s outstanding 2042 Notes that are held by eligible holders.

A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated by reference herein.

This current report on Form 8-K does not constitute a solicitation of any consent in respect of, or an offer to purchase, or a solicitation of an offer to sell, any securities. The Consent Solicitations, Tender Offers and Exchange Offer are being made only pursuant to the applicable offering documents. The applicable offering documents for the Consent Solicitations and the Tender Offers will be distributed to all holders of the Consent Notes and the Short-Term ADT Notes, as applicable.

Certain supplemental information being made available in connection with the transactions described above is furnished as Exhibit 99.2 hereto.

As provided in General Instruction B.2 of Form 8-K, the information contained in this Item 7.01 of this Form 8-K shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	**Description**
99.1	Press Release dated April 1, 2016
99.2	Supplemental Information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE ADT CORPORATION

Date: April 1, 2016

By: /s/ N. David Bleisch
Name: N. David Bleisch
Title: Senior Vice President and Chief Legal Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated April 1, 2016
99.2	Supplemental Information

Exhibit 99.1

Consent Solicitations relating to the

5.250% Senior Notes due 2020, 6.250% Senior Notes due 2021, 3.500% Notes due 2022,

4.125% Senior Notes due 2023 and 4.875% Notes due 2042 of The ADT Corporation

Tender Offers for Any and All Outstanding

2.250% Notes due 2017 and 4.125% Senior Notes due 2019 of The ADT Corporation

Offer to Exchange New 4.875% First-Priority Senior Secured Notes due 2032

for the Outstanding 4.875% Notes due 2042 of The ADT Corporation

Chicago, IL, April 1, 2016 Prime Security Services Borrower, LLC (together with its subsidiaries, Protection 1), a portfolio company of certain funds affiliated with Apollo Global Management, LLC (NYSE: APO) (together with its consolidated subsidiaries and affiliates, Apollo), announced today that The ADT Corporation (NYSE: ADT) (ADT) has commenced consent solicitations (the Consent Solicitations) from holders of its 5.250% Senior Notes due 2020 (the 2020 Notes), 6.250% Senior Notes due 2021 (the 2021 Notes), 3.500% Notes due 2022 (the 2022 Notes), 4.125% Senior Notes due 2023 (the 2023 Notes) and 4.875% Notes due 2042 (the 2042 Notes and, together with the 2020 Notes, the 2021 Notes, the 2022 Notes and the 2023 Notes, the Consent Notes). The record date to determine holders of the Consent Notes eligible to consent is March 31, 2016.

Also on April 1, 2016, Prime Security One MS, Inc. (the Offeror), a wholly owned subsidiary of Protection 1, launched (i) tender offers to purchase (the Tender Offers) any and all of ADT s outstanding $750,000,000 aggregate principal amount of 2.250% Notes due 2017 (the 2017 Notes) and $500,000,000 aggregate principal amount of 4.125% Senior Notes due 2019 (the 2019 Notes and, together with the 2017 Notes, the Short-Term ADT Notes) as well as (ii) an offer to exchange (the Exchange Offer) new 4.875% First-Priority Senior Secured Notes due 2032 (the Exchange Notes) for any and all of ADT s outstanding 2042 Notes that are held by eligible holders.

The Consent Solicitations, the Tender Offers and the Exchange Offer are being conducted in connection with the previously announced merger agreement, pursuant to which Protection 1 has agreed to acquire ADT (the Acquisition). The Consent Solicitations, the Tender Offers and the Exchange Offer are conditioned upon, among other things, the closing of the Acquisition and other customary conditions precedent. However, the completion of the Consent Solicitations, the Tender Offers and the Exchange Offer are not conditions to the consummation of the Acquisition. Further, the consummation of each of the Consent Solicitations, the Tender Offers and the Exchange Offer is not contingent upon the consummation of the other such transactions. If ADT s stockholders approve the Acquisition, the Acquisition is expected to be completed by June 2016. After giving effect to the Acquisition, the combined company s key brands will be ADT® and ADT Pulse®, with the Protection One brand being maintained in select channels.

The Consent Solicitations

ADT is seeking consents from holders of the Consent Notes with respect to (i) a waiver (with respect to each series of Consent Notes, the Waiver and, collectively, the Waivers) of any potential Change of Control Triggering Event, including any potential obligation of ADT to make a Change of Control Offer (each as defined in the indentures governing the Consent Notes), and (ii) certain amendments to the indentures governing each series of Consent Notes, which would (a) amend the definition of Change of Control and (b) limit any required grant of capital stock as collateral with respect to the Consent Notes to the extent necessary not to be subject to any requirement pursuant to Securities and Exchange Commission (the SEC) rules to file separate financial statements with the SEC or any other governmental agency (clauses (a) and (b) together, with respect to each series of Consent Notes, the Proposed Amendments), in each case in connection with the Acquisition. The Consent Solicitations are subject to the terms and conditions set forth in ADT s Consent Solicitation Statement dated April 1, 2016.

Protection 1 does not expect that it will be required to make Change of Control Offers in connection with the Acquisition. However, Protection 1 has obtained financing commitments in an amount sufficient to finance fully the Acquisition in the event that any Consent Notes are required to be repaid or repurchased as a result of a change of control. Receipt of the requisite consents in the Consent Solicitations is not a condition to the consummation of the Acquisition.

Holders of Consent Notes who validly consent to the Waivers and Proposed Amendments with respect to the Consent Notes on or prior to 5:00 p.m., New York City time, on April 7, 2016 (the Consent Deadline), and do not validly revoke their consent prior to the Consent Deadline, will be eligible to receive the consent fee set forth below for each $1,000 in principal amount of Consent Notes with respect to which consents have been so received.

Notes	CUSIP Number(s)	Principal Amount Outstanding	Consent Payment for each $1,000 in Principal Amount of Consents
5.250% Senior Notes due 2020	00101JAM8	$ 300,000,000	$ 2.50
6.250% Senior Notes due 2021	00101JAK2 / U0072PAE4	$ 1,000,000,000	$ 2.50
3.500% Notes due 2022	00101JAF3	$ 1,000,000,000	$ 5.00
4.125% Senior Notes due 2023	00101JAH9	$ 700,000,000	$ 5.00
4.875% Notes due 2042	00101JAG1 / 00101JAC0	$ 750,000,000	$ 1.00

The acceptance of validly executed, delivered and unrevoked consents and payment of the applicable consent fee with respect to a series of Consent Notes is conditioned upon, among other things, the receipt of consents from holders of at least a majority in aggregate principal amount of the outstanding Consent Notes of each series, voting as a separate class, excluding any Consent Notes owned by ADT or any of its affiliates, on or prior to the Consent Deadline and the satisfaction or waiver of all conditions precedent to the closing of the Acquisition.

The Tender Offers

The consideration for 2017 Notes validly tendered prior to 5:00 p.m., New York City time, on April 14, 2016 (the Early Deadline), and not validly withdrawn prior to the Early Deadline, will be $1,015.67 for each $1,000 principal amount of 2017 Notes, which includes an early tender premium of $5.00 per $1,000 principal amount of 2017 Notes so tendered. The consideration for 2017 Notes validly tendered after the Early Deadline but prior to 12:00 midnight, New York City time, at the end of April 28, 2016 (the Expiration Time), and not validly withdrawn prior to the Expiration Time, will be $1,010.67 for each $1,000 principal amount of 2017 Notes.

The consideration for 2019 Notes validly tendered prior to the Early Deadline, and not validly withdrawn prior to the Early Deadline, will be $1,079.18 for each $1,000 principal amount of 2019 Notes, which includes an early tender premium of $5.00 per $1,000 principal amount of 2019 Notes so tendered. The consideration for 2019 Notes validly tendered after the Early Deadline but prior to the Expiration Time, and not validly withdrawn prior to the Expiration Time, will be $1,074.18 for each $1,000 principal amount of 2019 Notes.

The following table summarizes important information relating to the Short-Term ADT Notes and the Tender Offers. Tenders of the Short-Term ADT Notes may be withdrawn at any time prior to April 14, 2016 (the Withdrawal Deadline) but not thereafter, except to the extent the Offeror, as it determines necessary or to the extent required by law, provides additional withdrawal rights.

Notes	**CUSIP Number(s)**	**Principal Amount Outstanding**	**Tender Offer Consideration**	**Total Consideration**
2.250% Notes due 2017	00101JAE6 / 00101JAA4	$ 750,000,000	$ 1,010.67	$ 1,015.67
4.125% Senior Notes due 2019	00101JAL0	$ 500,000,000	$ 1,074.18	$ 1,079.18

Exchange Offer

The consideration for 2042 Notes validly tendered in the Exchange Offer prior to the Early Deadline on April 14, 2016, and not validly withdrawn prior to the Early Deadline, will be $1,000 principal amount of Exchange Notes for each $1,000 principal amount of 2042 Notes, which includes an early exchange premium of $5.00 principal amount of Exchange Notes per $1,000 principal amount of 2042 Notes so tendered for exchange. The consideration for 2042 Notes validly tendered in the Exchange Offer after the Early Deadline but prior to the Expiration Time on April 28, 2016, and not validly withdrawn prior to the Expiration Time, will be $995 principal amount of Exchange Notes per $1,000 principal amount of 2042 Notes so tendered for exchange.

The Exchange Notes will be identical to the 2042 Notes except that they will mature in 2032 and they will benefit from guarantees, security interests and a reporting covenant. Additionally, the Exchange Notes will have provisions mirroring the Proposed Amendments. As a result, the Acquisition will not constitute a change of control under the Exchange Notes.

The following table summarizes important information relating to the 2042 Notes, the Exchange Notes and the Exchange Offer. Tenders of the Exchange Notes may be withdrawn at any time prior to the Withdrawal Deadline on April 14, 2016 but not thereafter, except to the extent the Offeror, as it determines necessary or to the extent required by law, provides additional withdrawal rights.

				Consideration per $1,000 Principal Amount of 2042 Notes Tendered	
				Total Consideration if Tendered Prior to the Early Deadline	**Exchange Consideration if Tendered at or after the Early Deadline**
Title of Notes to be Tendered	**CUSIP/ISIN**	**Outstanding Principal Amount (in millions)**	**Title of Exchange Notes to be Issued**	**Principal Amount of Exchange Notes**	**Principal Amount of Exchange Notes**
4.875% Notes due 2042	00101JAG1 / US00101JAG13	$ 749,000,000	4.875% First-Priority Senior Secured Notes due 2032	$ 1,000	$ 995

General

The Consent Solicitations, Tender Offers and Exchange Offer may be terminated or withdrawn at any time and for any reason, including if certain conditions described in the relevant offering documents, including, in each case, the satisfaction or waiver of all conditions precedent to the closing of the Acquisition, are not satisfied, subject to applicable law. The consummation of each of the Consent Solicitations, the Tender Offers and the Exchange Offer is not contingent upon the consummation of the other such transactions.

This announcement does not constitute a solicitation of any consent in respect of, or an offer to purchase, or a solicitation of an offer to sell, any securities. The Consent Solicitations, Tender Offers and Exchange Offer are being made only pursuant to the applicable offering documents. The applicable offering documents for the Consent Solicitations and the Tender Offers will be distributed to all holders of the Consent Notes and the Short-Term ADT Notes, as applicable. The applicable offering documents for the Exchange Offer will be distributed to all eligible holders of the 2042 Notes who complete the eligibility form available at www.dfking.comadt.

Deutsche Bank Securities Inc. is acting as solicitation agent for the Consent Solicitations and dealer manager for the Tender Offers and the Exchange Offer. Barclays Capital Inc., Citigroup Global Markets Inc. and RBC Capital Markets, LLC are acting as co-solicitation agents for the Consent Solicitations and co-dealer managers for the Tender Offers and the Exchange Offer. D.F. King & Co. Inc. is acting as the information and tabulation agent for the Consent Solicitations, tender and information agent for the Tender Offers and exchange and information

4

agent for the Exchange Offer. Requests for the offering documents may be directed to D.F. King & Co. Inc. at (212) 269-5550 (for brokers and banks), (866) 416-0576 (for all others) or e-mail at adt@dfking.com.

In addition, on April 1, 2016, Protection 1 provided a transactional update on its website at http://www.protection1.com/corporate/news.

About Protection 1

Protection 1 was acquired by certain funds affiliated with Apollo Global Management, LLC (NYSE: APO) on July 1,2015 as the flagship for Apollo s entrance into the alarm monitoring services industry, with a simultaneous acquisition of ASG Security, which has been effectively integrated into Protection 1. Protection 1 is a premier full-service business and home security company in the U.S. that provides installation, maintenance, and monitoring of single-family home security systems, business security systems and multi-family security systems. Protection 1 serves over 2 million customers and employs over 4,000 people in more than 90 office locations and five UL Certified monitoring centers across the country. For more information about Protection 1, visit http://www.protection1.com/corporate/news.

About ADT

The ADT Corporation (NYSE: ADT) is a leading provider of security and automation solutions for homes and businesses in the United States and Canada. ADT s broad and pioneering set of products and services, including ADT Pulse® interactive home and business solutions, and health services, meet a range of customer needs for today s active and increasingly mobile lifestyles. Headquartered in Boca Raton, Florida, ADT helps provide peace of mind to over 6.5 million customers and employs approximately 17,000 people at 200 locations. More information is available at www.adt.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of applicable federal securities laws. The forward-looking statements include, without limitation, statements concerning the Consent Solicitations, the Tender Offers and the Exchange Offer. Forward-looking statements involve risks and uncertainties, including but not limited to economic, competitive, and technological factors outside Protection 1 s control that may cause actual results to differ materially from the forward-looking statements. You should not place undue reliance on forward-looking statements as a prediction of actual results. Protection 1 expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

Media Contacts

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or

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Exhibit 99.2

THE TRANSACTIONS

Throughout this release (this Release), we refer to the transactions described below as the Transactions.

The Acquisition

On February 14, 2016, Prime Security Services Borrower, LLC (**Prime LLC**) entered into an Agreement and Plan of Merger (the **Merger Agreement**) with The ADT Corporation (**ADT**), Prime Security One MS, Inc., a Delaware corporation and a wholly owned subsidiary of Prime LLC (**Merger Sub**), and, solely for purposes of Article IX thereunder, Prime Security Services Parent Inc. (**Parent**) and Prime Security Services TopCo Parent, LP (**Ultimate Parent**), pursuant to which Merger Sub will be merged with and into ADT (the **Merger**), with ADT surviving the Merger as a wholly owned subsidiary of Prime LLC. At the effective time of the Merger, each share of ADT s common stock, par value $0.01 per share, issued and outstanding immediately prior to the effective time of the Merger (other than shares held by Prime LLC, Merger Sub or any other direct or indirect wholly owned subsidiary of Prime LLC, shares owned by ADT (including treasury shares) or any of its direct or indirect wholly owned subsidiaries and shares owned by ADT stockholders who have properly made and not withdrawn or lost a demand for appraisal rights under Delaware law) will be converted into the right to receive $42.00 in cash, without interest and subject to any applicable withholding taxes (the **Merger Consideration**). Total cash paid to ADT stockholders at the closing of the Transactions is estimated to be $7,032.0 million based on the number of shares of common stock issued and outstanding, shares of common stock issuable upon the exercise of in the money options, and shares of common stock subject to restricted stock units, phantom stock units, or similar stock rights (other than performance stock units) as reported in ADT s Definitive Proxy Statement filed with the SEC on Schedule 14A on March 25, 2016. The Merger is subject to customary closing conditions, including approval by ADT s stockholders. On March 9, 2016, the U.S. Federal Trade Commission granted early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the **HSR Act**), and on March 11, 2016, the Commissioner of Competition issued a no-action letter with respect to the Merger under the Canadian Competition Act. A special meeting of ADT s stockholders is scheduled to be held on April 22, 2016 to consider and vote upon, among other things, the Merger. We refer to the consummation of the Merger pursuant to the terms of the Merger Agreement, including the payment of the Merger Consideration, as the **Acquisition**, and we refer to Prime LLC and its subsidiaries after giving effect to the Acquisition, including ADT and its subsidiaries, as we, us, our and the Combined Company.

New Financing Transactions

At or prior to the closing of the Acquisition, certain investment funds directly or indirectly managed by Apollo Global Management, LLC, its subsidiaries and its affiliates (our **Sponsor**) and certain other investors will make a $3,575.0 million equity contribution directly or indirectly to Prime Security Services Holdings LLC (**Holdings**) in the form of common equity, and such proceeds will be further contributed to Prime LLC (the **Equity Contribution**). The Equity Contribution represents our Sponsor s largest single equity contribution to date by a wide margin.

Concurrently with the closing of the Acquisition, Parent will issue preferred securities (the **Preferred Securities**) and Ultimate Parent will issue warrants (the **Warrants**) to an affiliate of Koch Equity Development LLC (the **Koch Investor**), the investment and acquisition subsidiary of Koch Industries, Inc., for $750.0 million in the aggregate, the proceeds of which will be contributed to Holdings in the form of common equity, and such proceeds will be further contributed to Prime LLC.

Concurrently with the closing of the Acquisition, we will also obtain a new $255.0 million senior secured revolving credit facility maturing in 2021 (the **New First Lien Revolving Credit Facility**) and a new $1,555.0 million senior secured term loan facility maturing in 2022 (the **New First Lien Term Loan Facility** and, together with the New

First Lien Revolving Credit Facility, the **New First Lien Credit Facilities**), both of which will be incurred as incremental facilities under the credit agreement governing our Existing First Lien Credit Facilities (as defined herein).

In addition, prior to or concurrently with the closing of the Acquisition, we expect to sell $3,140.0 million in aggregate principal amount of new Second-Priority Senior Secured Notes due 2023, up to $1,890.0 million of which will be sold in a marketed private offering that will be exempt from the registration requirements of the Securities Act (such notes, the **Marketed Offering Prime LLC Notes**), and at least $1,250.0 million of which will be sold to an affiliate of our Sponsor and certain other investors in a private placement transaction that will also be exempt from the registration requirements of the Securities Act (such notes, the **Concurrent Offering Prime LLC Notes** and, collectively with the Marketed Offering Prime LLC Notes, the **Prime LLC Notes**). We refer to the entry into the New First Lien Credit Facilities and the issuance of the Prime LLC Notes collectively as the **Debt Financing Transactions**, and we refer to the Debt Financing Transactions collectively with the Equity Contribution and the issuance of the Preferred Securities and the Warrants as the **New Financing Transactions.** We intend to use the proceeds from the New Financing Transactions to fund a portion of the Transactions and to pay related fees and expenses. See Sources and Uses.

The Consent Solicitations, the Exchange Offer and the Tender Offers

On April 1, 2016, ADT commenced consent solicitations (the **Consent Solicitations**) with respect to ADT s 5.250% Senior Notes due 2020, 6.250% Senior Notes due 2021, 3.500% Notes due 2022, 4.125% Senior Notes due 2023 and 4.875% Notes due 2042 (collectively, the **ADT Rollover Notes**), which consents would (a) waive (the **Waiver**) any **Change of Control Triggering Event** (as defined under each indenture governing the ADT Rollover Notes (as they may have been supplemented from time to time prior to the date hereof, the **ADT Rollover Notes Indentures**)) in connection with the Acquisition under the respective ADT Rollover Notes Indenture, including any potential obligation of ADT to make a Change of Control Offer in connection with the Acquisition with respect to each series of ADT Rollover Notes, (b) amend the definition of **Change of Control** under each ADT Rollover Notes Indenture and (c) exclude the capital stock of any subsidiary of Prime LLC from the collateral with respect to such series of ADT Rollover Notes and from the liens securing such ADT Rollover Notes, in each case, to the extent necessary for any subsidiary of Prime LLC not to be subject to any requirement pursuant to Rule 3-16 of Regulation S-X under the Securities Act to file separate financial statements with the SEC or any other governmental agency (together with clause (b), the **Proposed Amendments**).

In the Consent Solicitations, ADT is seeking consents to the applicable Waiver and the Proposed Amendments for each series of ADT Rollover Notes as a single proposal, which under each ADT Rollover Notes Indenture requires the consent of holders of not less than a majority in aggregate principal amount of each such series of ADT Rollover Notes. The Consent Solicitations will expire on April 7, 2016, unless extended. No Consent Solicitation is conditioned upon the success of any other Consent Solicitation, but each Consent Solicitation is conditioned upon, among other things, the simultaneous closing of the Acquisition. Nothing in this Release should be construed as a solicitation of any consent with respect to any ADT Rollover Notes, as the Consent Solicitations are being made only to the recipients of a Consent Solicitation Statement, dated as of April 1, 2016, upon the terms and subject to the conditions set forth therein. We will fund the payment of consent fees in connection with successful Consent Solicitations with a portion of the proceeds from the New Financing Transactions. See Sources and Uses.

ADT will execute a supplemental indenture to the applicable series of ADT Rollover Notes (each, a **Consent Supplemental Indenture**) on the date it receives the Requisite Consents (as defined below) in the Consent Solicitations for any of the ADT Rollover Notes. Each Consent Supplemental Indenture will become operative upon the closing of the Acquisition, giving effect to (a) the Waiver of any Change of Control Triggering Event in connection with the Acquisition and (b) the Proposed Amendments.

If ADT does not receive the requisite consents for the Waiver and the Proposed Amendments (the **Requisite Consents**) in respect of any series of ADT Rollover Notes and, within 61 days after the closing of the Acquisition, a Change of Control Triggering Event occurs under any series of ADT Rollover Notes, we will make any required change of control offers (the **Backstop Change of Control Offers**) pursuant to any applicable series of ADT Rollover

Notes. The purchase price for any ADT Rollover Notes validly tendered and not validly withdrawn in any such Backstop Change of Control Offer will be equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any. We do not expect a Rating Event or a Change of Control Triggering Event to occur in connection with the Acquisition. We believe it is unlikely that ADT will be required to make a Change of Control Offer to purchase ADT Rollover Notes under the terms of any applicable ADT Rollover Notes

Indenture in connection with the Acquisition. The receipt of the Requisite Consents is not necessary to effect the consummation of the Acquisition. If the Requisite Consents are received in respect of a series of ADT Rollover Notes, ADT will not be required to make a Change of Control Offer in respect of such series of ADT Rollover Notes even if a Change of Control Triggering Event were to occur.

In order to fund any such Backstop Change of Control Offers, we would (i) obtain a senior secured term loan facility in an aggregate principal amount of up to $2,000.0 million (the **Backstop First Lien Term Loan Facility**) and (ii) (a) issue senior secured notes (the **Backstop First Lien Notes**) in a private offering yielding up to $1,750.0 million in aggregate gross cash proceeds and/or (b) if any or all of the Backstop First Lien Notes are not issued on or prior to the closing of any applicable Backstop Change of Control Offer and the proceeds thereof made available to us on the closing of any such Backstop Change of Control Offer, borrow up to such unissued amount under a new senior secured bridge loan facility (the **Backstop First Lien Bridge Loan Facility** and, collectively with the Backstop First Lien Notes and the Backstop First Lien Term Loan Facility, the **Backstop Facilities**). If ADT receives the Requisite Consents in respect of a series of ADT Rollover Notes, it will not be required to make a Backstop Change of Control Offer in respect of such series even if a Change of Control Triggering Event were to occur.

Whether or not the Consent Solicitations are successful and the Requisite Consents are received, in connection with the Transactions and prior to the closing date of the Acquisition, we and the applicable trustee will also execute a supplemental indenture to each such series of ADT Rollover Notes (the **Collateral Supplemental Indentures** and, collectively with the Consent Supplemental Indentures, the **Supplemental Indentures**), which will provide for each series of ADT Rollover Notes to benefit, following completion of the Acquisition, from the following amendments: (i) guarantees by Prime LLC and each of its domestic restricted subsidiaries that guarantees the First Lien Credit Facilities (including the subsidiaries of ADT but not including ADT), (ii) first-priority security interests, subject to permitted liens, in substantially all of the Combined Company s existing and future assets, which assets will also secure the Existing First Lien Credit Facilities, the New First Lien Credit Facilities and the ADT Rollover Notes and ADT Exchange Notes (as defined herein) on a first-priority basis and the Existing Second Lien Term Loan Facility (as defined herein) and the Prime LLC Notes on a second-priority basis, and (iii) a new reporting covenant; provided that if ADT does not receive the Requisite Consents for the Waiver and the Proposed Amendments in respect of any series of ADT Rollover Notes, such guarantees, security interests (except security interests to the extent such security interests are required under the applicable series of ADT Rollover Notes) and the reporting covenant will be immediately and automatically released and/or terminated, with no further effect, with respect to any series of ADT Rollover Notes if, (a) during the period commencing 60 days prior to the first public notice of ADT s intention to effect the Merger and ending 60 days after the consummation of the Acquisition, a Rating Event is deemed to occur under such series of ADT Rollover Notes or (b) within 61 days after the consummation of the Acquisition, (1) a Change of Control Triggering Event is deemed to occur under such series of ADT Rollover Notes or (2) it is publicly announced that the rating of such series of ADT Rollover Notes is under consideration for a possible downgrade by Fitch Inc., Moody s Investors Service, Inc. or Standard & Poor s Ratings Services (collectively, the **Rating Agencies**). The Collateral Supplemental Indentures will become operative upon the closing of the Acquisition. If the Requisite Consents for the Waivers and the Proposed Amendments are obtained, the Consent Supplemental Indentures and the Collateral Supplemental Indentures will be executed simultaneously in one Supplemental Indenture; however, the grant of guarantees and security interests contemplated by each Collateral Supplemental Indenture is not conditioned upon the success of any Consent Solicitation or the execution of any Consent Supplemental Indenture. If the proposed Acquisition does not close, none of the Supplemental Indentures will become operative.

On April 1, 2016, we commenced an offer to exchange (the **Exchange Offer**) any and all of ADT s outstanding 4.875% Notes due 2042 (the **2042 ADT Notes**) held by qualified institutional buyers or accredited investors (each as defined under applicable securities laws) for new 4.875% First-Priority Senior Secured Notes due 2032 (the **ADT Exchange Notes**). The ADT Exchange Notes will have all the same terms as the 2042 ADT Notes, after giving effect to the Collateral Supplemental Indenture and the Consent Supplemental Indenture for the 2042 ADT Notes, except that, among other things, (i) the guarantees, security interests and reporting covenant will not be subject to release or termination in connection with a Change of Control Triggering Event in connection with the Acquisition under the indenture governing the ADT Exchange Notes (the **ADT Exchange Notes Indenture**) and (ii) the ADT Exchange Notes will mature in 2032 instead of 2042. As of April 1, 2016, $750.0 million aggregate principal amount of the 2042 ADT Notes were outstanding. The issuance of the ADT Exchange Notes contemplated by the Exchange Offer is conditioned upon, among other things, the closing of the Acquisition. Nothing in this Release should be construed as an offer to exchange any 2042 ADT Notes, as the Exchange Offer is being made only to the recipients of an Offer to Exchange, dated as of April 1, 2016, upon the terms and subject to the conditions set forth therein.

On April 1, 2016, we commenced tender offers (the **Tender Offers**) to purchase for cash any and all of ADT s outstanding 2.250% Notes due 2017 (the **2017 ADT Notes**) and 4.125% Senior Notes due 2019 (the **2019 ADT Notes** and, together with the 2017 ADT Notes, the **Short-Term ADT Notes**). As of April 1, 2016, $750.0 million aggregate principal amount of the 2017 ADT Notes were outstanding and $500.0 million aggregate principal amount of the 2019 ADT Notes were outstanding. The purchase for cash of the Short-Term ADT Notes contemplated by the Tender Offers is conditioned upon, among other things, the closing of the Acquisition. Nothing in this Release should be construed as an offer to purchase any Short-Term ADT Notes, as the Tender Offers are being made only to the recipients of an Offer to Purchase, dated as of April 1, 2016, upon the terms and subject to the conditions set forth therein. If any Short-Term ADT Notes are not tendered in the Tender Offers, we intend to redeem such Short-Term ADT Notes and simultaneously to discharge our obligations with respect to such Short-Term ADT Notes and the indentures governing such Short-Term ADT Notes in accordance with the applicable indentures upon the consummation of the Acquisition. We will fund the purchase of the Short-Term ADT Notes in the Tender Offers on the closing date of the Acquisition and/or redemption and discharge of the Short-Term ADT Notes (collectively, the **Short-Term ADT Notes Retirement**) using a portion of the proceeds from the New Financing Transactions.

We refer to the Consent Solicitations, the execution of the Supplemental Indentures, the Exchange Offer, the Tender Offers and the Short-Term ADT Notes Retirement collectively as the **Rollover and Refinancing Transactions**.

SOURCES AND USES

The following table sets forth the estimated sources and uses of funds in connection with the Transactions, assuming they occurred on the estimated closing date of May 2, 2016, which may vary, and based on estimated amounts outstanding as of that date. The actual sources and uses of funds may vary from the estimated sources and uses of funds in the table and accompanying footnotes set forth below.

Sources of Funds	*(dollars in millions)*	**Uses of Funds**	
New First Lien Revolving Credit Facility(1)	$	Merger Consideration(9)	$ 7,032
New First Lien Term Loan Facility(1)	1,555	Refinanced Credit Agreement(12)	255
Existing Credit Facilities(2)	1,352	Existing Credit Facilities(2)	1,352
		Existing First Lien Revolving Credit Facility(15)	22
ADT Rollover Notes(3)	3,750	ADT Rollover Notes and ADT Exchange Notes(3)	3,750
Concurrent Offering Prime LLC Notes(4)	1,250	Short-Term ADT Notes Retirement(10)	1,305
Marketed Offering Prime LLC Notes(5)	1,890	Rollover Equity Contribution(7)	906
Preferred Securities and Warrants(6)	750	Transaction fees and expenses(11)	427
Rollover Equity Contribution(7)	906	Capital Leases(13)	47
Equity Contribution(8)	3,575		
Capital Leases(13)	47		
Balance Sheet Cash(14)	21		
Total sources of funds	**$ 15,096**	**Total uses of funds**	**$ 15,096**

(1) Concurrently with the closing of the Acquisition, we will obtain the New First Lien Credit Facilities, which will consist of our $255.0 million New First Lien Revolving Credit Facility, and our $1,555.0 million New First Lien Term Loan Facility. The New First Lien Term Loan Facility will be fully drawn at the closing of the Acquisition. The New First Lien Credit Facilities will be incurred as incremental facilities under our Existing First Lien Credit Facilities. Holdings and all of the material wholly owned domestic subsidiaries of Prime LLC (including ADT), other than any domestic subsidiary of a foreign subsidiary, subject to certain exceptions, will guarantee the New First Lien Credit Facilities. Holdings will pledge the equity interests of Prime LLC, and Prime LLC and all of its material wholly owned domestic subsidiaries will pledge their assets to secure the New First Lien Credit Facilities.

(2) Represents the aggregate principal amount of borrowings outstanding under the Existing Credit Facilities, which consist of our existing $95.0 million first lien revolving credit facility, maturing on July 1, 2020, including a letter of credit sub-facility (the **Existing First Lien Revolving Credit Facility** and, collectively with the New First Lien Revolving Credit Facility, the **Revolving Credit Facilities**), our existing $1,092.0 million first lien term loan facility, maturing on July 1, 2021 (the **Existing First Lien Term Loan Facility** and, collectively with the Existing First Lien Revolving Credit Facility, the **Existing First Lien Credit Facilities**), and our $260.0 million second lien term loan facility, maturing on July 1, 2022 (the **Existing Second Lien Term Loan Facility** and, collectively with the Existing First Lien Credit Facilities, the **Existing Facilities** and, the Existing Facilities collectively with the New First Lien Credit Facilities, the **Credit Facilities**).

(3) Represents the aggregate principal amount of all ADT Rollover Notes outstanding. Assumes that no Backstop Change of Control Offer is required and no Backstop Facilities are obtained. As part of the Acquisition, Prime

will assume all of the ADT Rollover Notes, and will undertake the Backstop Change of Control Offers pursuant to any applicable series of ADT Rollover Notes should a Change of Control Triggering Event occur for any of the ADT Rollover Notes. If Backstop Change of Control Offers were to be required in respect of all of the ADT Rollover Notes, and if all of the ADT Rollover Notes were to be validly tendered and not validly withdrawn in such Backstop Change of Control Offers, then we would incur incremental annual interest expense of approximately $99.0 million and incremental debt financing fees of approximately $155.0 million.

(4) Concurrently with the issuance of the Marketed Offering Prime LLC Notes, an affiliate of our Sponsor and certain other investors have agreed to purchase from us, and we have agreed to sell, an aggregate principal amount of at least $1,250.0 million of the Concurrent Offering Prime LLC Notes in a concurrent private placement transaction, at a price per note equal to the issue price to us of Marketed Offering Prime LLC Notes (before deducting underwriting fees and commitments). The Concurrent Offering Prime LLC Notes will have the same terms as the Marketed Offering Prime LLC Notes. In addition, an investor has the option to purchase up to an additional $250.0 million aggregate principal amount of Concurrent Offering Prime LLC Notes, the exercise of which would correspondingly reduce the principal amount of the Marketed Offering Prime LLC Notes. The net proceeds from the issuance of the Concurrent Offering Prime LLC Notes will be used to fund a portion of the Transactions and to pay related fees and expenses.

(5) The net proceeds from the issuance of the Marketed Offering Prime LLC Notes will be used to fund a portion of the Transactions and to pay related fees and expenses.

(6) Concurrently with the closing of the Acquisition, Parent will issue the Preferred Securities and Ultimate Parent will issue the Warrants to the Koch Investor for consideration of $750.0 million in the aggregate, the net proceeds of which will be contributed to Holdings in the form of common equity. The net proceeds will be further contributed to Prime LLC and used to fund a portion of the Transactions and to pay related fees and expenses.

(7) Represents the fair value of amounts previously invested in equity securities of Holdings by funds affiliated with and controlled by our Sponsor, and by members of management. These amounts were contributed to Prime LLC as common equity and used to fund a portion of the Formation Transactions (as defined herein).

(8) Represents amounts to be invested by funds affiliated with and controlled by our Sponsor and certain other investors. The proceeds from the equity contribution will be further contributed to Prime LLC as common equity and used to fund a portion of the Transactions and to pay related fees and expenses.

(9) Represents the estimated total aggregate Merger Consideration to be paid to ADT stockholders for each issued and outstanding share immediately prior to the effective time of the Merger. This amount assumes that all such shares of ADT common stock (other than shares held by Prime LLC, Merger Sub or any other direct or indirect wholly owned subsidiary of Prime LLC, shares owned by ADT (including treasury shares) or any of its direct or indirect wholly owned subsidiaries, and shares owned by ADT stockholders who have properly made and not withdrawn or lost a demand for appraisal rights under Delaware law) will receive $42.00 in cash, without interest and subject to any applicable withholding taxes.

(10) Includes (i) the aggregate principal amount of the outstanding 2017 ADT Notes, plus accrued and unpaid interest and expected premiums in connection with the retirement of such notes in the Short-Term ADT Notes Retirement and (ii) the aggregate principal amount of the outstanding 2019 ADT Notes plus accrued and unpaid interest and expected premiums in connection with the retirement of such notes in the Short-Term ADT Notes Retirement. The amount of accrued and unpaid interest and estimated premiums in respect of the Short-Term ADT Notes Retirement is approximately $55.0 million as of the estimated closing date of the Transactions.

(11) Represents estimated transaction fees and expenses in connection with the Transactions, including financing fees, advisory fees and other transaction costs and professional fees and expenses.

(12) Represents the estimated amount of borrowings under ADT s Five Year Senior Unsecured Revolving Credit Agreement, dated as of June 22, 2012, by and among ADT, Tyco, the lender parties thereto, Citibank, N.A., Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, as bookrunners and lead arrangers, and JPMorganChase Bank, N.A., as syndication agent (the **Refinanced Credit Agreement**) as of the estimated closing date of the Transactions. The Refinanced Credit Agreement will be fully repaid at the closing of the Transactions.

(13) Represents the estimated amount of long-term and short-term capital lease obligations, excluding related interest, as of the estimated closing date of the Transactions.

(14) Represents the estimated projected balance sheet cash of $21.0 million as of the closing date of the Transactions that will be used to fund costs related to the Transactions.

(15) We expect to pay down the outstanding balance of $22.0 million on our Existing First Lien Revolving Credit Facility at the time of closing of the Transactions.

CORPORATE STRUCTURE

The following diagram sets forth our corporate structure and our principal indebtedness after giving effect to the Transactions. This chart is for illustrative purposes only and does not represent all legal entities affiliated with, or all obligations of, the entities depicted[(1)]:

(1) Unless otherwise indicated, subsidiaries are 100% owned by their immediate parent company. Certain of our subsidiaries are omitted.
(2) Following the consummation of the Transactions, Prime Security Services TopCo Parent GP, LLC will own 100% of the general partner interests, but none of the economic interests, in Ultimate Parent. Following the consummation of the Transactions, the Apollo Funds, certain other investors, members of management and certain of our employees will directly or indirectly, as applicable, own 100% of the economic interests in Ultimate Parent.
(3) Holdings will guarantee the Credit Facilities on a non-recourse basis but will not guarantee the Prime LLC Notes or the ADT Rollover Notes or the ADT Exchange Notes. In addition, Holdings will pledge the equity of Prime LLC to secure the Credit Facilities but not the Prime LLC Notes, the ADT Rollover Notes or any ADT Exchange Notes.

(4) Prime LLC will guarantee the ADT Rollover Notes and any ADT Exchange Notes that replace 2042 ADT Notes exchanged in the Exchange Offer. Prime LLC will also pledge substantially all of its assets, including capital stock of the subsidiary guarantors and 65% of the capital stock of the first-tier foreign subsidiaries that are not subsidiary guarantors, as collateral under the Credit Facilities, the Prime LLC Notes, the ADT Rollover Notes and any ADT Exchange Notes. Notwithstanding the foregoing, the guarantees and collateral that will be given for the benefit of the ADT Rollover Notes will be subject to potential release as described under The Transactions The Consent Solicitations, the Exchange Offer and the Tender Offers.

(5) All wholly owned material domestic subsidiaries of Prime LLC (including ADT (except in the case of the guarantee of the ADT Rollover Notes and the ADT Exchange Notes, of which it will be the issuer) and its wholly owned material domestic subsidiaries), subject to certain exceptions, will guarantee, and will pledge substantially all of their assets, including capital stock of subsidiary guarantors and 65% of the capital stock of the first-tier foreign subsidiaries that are not subsidiary guarantors, as collateral under, the Credit Facilities, the Prime LLC Notes, the ADT Rollover Notes and any ADT Exchange Notes. Notwithstanding the foregoing, the guarantees and collateral that will be given for the benefit of the ADT Rollover Notes will be subject to potential release as described under The Transactions The Consent Solicitations, the Exchange Offer and the Tender Offers.

(6) As of December 31, 2015, on a pro forma basis after giving effect to the Transactions, non-wholly owned subsidiaries and other subsidiaries of Prime LLC that do not guarantee the Prime LLC Notes, the ADT Rollover Notes or any ADT Exchange Notes held approximately 5.2% of our consolidated assets and had $1.1 million of outstanding indebtedness, excluding intercompany obligations. During the year ended December 31, 2015, on a pro forma basis after giving effect to the Transactions, non-guarantor subsidiaries generated approximately 7.1% of our total revenue and 3.4% of our Adjusted EBITDA.

OUR SPONSOR

Apollo is a leading global alternative investment manager with offices in New York, Los Angeles, Houston, Chicago, Bethesda, Toronto, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong and Shanghai. Apollo had assets under management of approximately $170 billion as of December 31, 2015 in private equity, credit and real estate funds invested across a core group of nine industries where Apollo has considerable knowledge and resources.

CORPORATE INFORMATION

Prime LLC was organized under the laws of the State of Delaware on May 15, 2015 under the name Apollo Security Services Borrower, LLC and adopted its current name on June 29, 2015. On July 1, 2015, Prime LLC consummated two acquisitions that were instrumental in the formation of our company. First, a wholly owned subsidiary of Prime LLC formed for purposes of the acquisition merged with and into the holding company of Protection One, Inc. (the **Protection One Acquisition**), with Protection One, Inc. surviving such merger as a subsidiary of Prime LLC and the former equity holders of Protection One, Inc. receiving aggregate consideration of $1,525.6 million. Second, we acquired all of the outstanding equity interests in the holding company of ASG (the **ASG Acquisition** and, together with the Protection One Acquisition, the **Formation Transactions**) for aggregate consideration of $508.5 million.

Prime s principal executive offices are located at 1267 Windham Pkwy, Romeoville, IL 60446. Its telephone number is (630) 410-0663. Its website is located at http://www.protection1.com. The information that appears on Prime s website is not part of, and is not incorporated by reference into, this Release.

ADT was incorporated under the laws of the state of Delaware on January 18, 2012. ADT s principal executive offices are located at 1501 Yamato Road, Boca Raton, FL 33431. ADT s telephone number is (561) 988-3600. ADT s website is located at http://www.adt.com. The information that appears on ADT s website is not part of, and is not incorporated by reference into, this Release.

SUMMARY UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The unaudited pro forma combined financial information is presented to illustrate the estimated effects of the following transactions, which we refer to as the Pro Forma Transactions :

- the Formation Transactions, which were completed on July 1, 2015;
- the Acquisition; and
- the New Financing Transactions and the Rollover and Refinancing Transactions.

The unaudited pro forma combined financial information, referred to herein as the pro forma financial information, is based upon the historical audited consolidated financial statements of Prime, the historical audited consolidated financial statements of ASG and the historical audited and unaudited financial statements of ADT, which are included elsewhere in this Release. Prime, ASG and ADT prepare their financial statements in conformity with generally accepted accounting principles in the United States of America (**GAAP**) with all amounts stated in United States dollars (**USD**).

The unaudited pro forma combined statement of operations for the twelve months ended December 31, 2015, referred to herein as the pro forma statement of operations, combines the (a) statement of operations data derived from the audited consolidated financial statements for Protection One, Inc. for the period January 1, 2015 through June 30, 2015 (**Predecessor**) and Prime for the period May 18, 2015 through December 31, 2015 (**Successor**) (collectively, **Prime**), (b) statement of operations data derived from the audited consolidated financial statements for ASG for the six months ended June 30, 2015 and (c) statement of operations data for ADT for the twelve months ended December 31, 2015. ADT s historical statement of operations data for the twelve months ended December 31, 2015 have been derived by deducting ADT s historical unaudited statement of operations for the three months ended December 26, 2014 from ADT s historical audited statement of operations for the fiscal year ended September 25, 2015, and then adding thereto ADT s historical unaudited statement of operations data from the three months ended December 31, 2015. Please refer to the table in footnote 4 in the Notes to the Pro Forma Financial Information, which illustrates the derivation. Prior to its 2016 fiscal year, ADT had a 52- or 53-week fiscal year that ended on the last Friday in September. ADT s fiscal years 2015 and 2014 ended on September 25, 2015 and September 26, 2014 respectively.

The unaudited combined balance sheet as of December 31, 2015, referred to herein as the pro forma balance sheet, combines the balance sheet data derived from the audited consolidated financial statements of Prime as of December 31, 2015 and the balance sheet data derived from the unaudited consolidated financial statements of ADT as of December 31, 2015.

The pro forma financial information is based in part on certain assumptions regarding the Pro Forma Transactions that management believes are reasonable and are (a) directly attributable to the Pro Forma Transactions, (b) factually supportable and (c) with respect to the pro forma statement of operations, expected to have a continuing impact on the Combined Company. These data were derived from and should be read in conjunction with the Unaudited Pro Forma Combined Financial Information included elsewhere in this Release. The pro forma statement of operations gives effect to the Pro Forma Transactions as if the Pro Forma Transactions had been completed on January 1, 2015. The pro forma balance sheet gives effect to the Pro Forma Transactions as if they had been completed on December 31, 2015.

The pro forma data is preliminary, and is being furnished solely for informational purposes and is not necessarily indicative of what the financial position or results of operations would actually have been had the Pro Forma Transactions occurred on the dates indicated or what the financial position or results of operations would be for any future periods of the Combined Company. The pro forma statement of operations does not reflect projected realization of revenue synergies and cost savings following completion of the Merger. Although Prime projects that revenue synergies and cost savings will result from the Merger, there can be no assurance that these will be achieved. The actual results reported by the Combined Company in periods following the Acquisition may differ materially from that reflected in the pro forma financial information. For further information regarding the pro forma adjustments, see the Unaudited Pro Forma Combined Financial Information section of this Release.

The following sets forth the unaudited pro forma combined financial data at the dates and for the periods indicated:

(in millions)	Pro Forma Combined Company Year ended December 31, 2015
Statement of Operations Data:	
Revenue	**$ 4,040**
Cost of Revenue	1,258
Selling, general, and administrative	2,502
Operating income (loss)	**280**
Interest expense, net	690
Other income (expense)	3
Loss before income taxes	**(407)**
Income tax expense (benefit)	(141)
Net income (loss)	**$ (266)**

(in millions)	
Balance Sheet Data (at period end):	
Total assets	$ 17,265
Total debt	$ 9,402
Total liabilities	$ 12,539
Total member capital	$ 4,726

Key performance indicators and combined Adjusted EBITDA of the Combined Company presented below were derived from and should be read in conjunction with the Unaudited Pro Forma Combined Financial Information. The Unaudited Pro Forma Combined Financial Information on which the key performance indicators and the combined Adjusted EBITDA are based have been adjusted to reflect the impact of estimated cost savings synergies, which Prime expects to realize after the completion of the Acquisition. Although Prime projects revenue synergies and cost savings will result from the Acquisition, there can be no assurance these will be achieved.

Key Performance Indicators:	
End of period RMR	$ 322
End of period subscribers (in thousands)	8,262
Retail ARPU(1)	$ 42.64
Retail net RMR attrition (2)	12.0%
Retail creation multiple (3)	30.2x
Adjusted EBITDA (in millions)(4)	$ 2,743
SSFCF (in millions)(5)	$ 1,436

(1) Retail ARPU is calculated based on the recurring retail revenue under contract at the end of the period divided by the total number of retail customers at the end of the period.

(2) Retail net attrition calculation includes dealer chargebacks net with RMR for all cancellations.

(3) Retail creation multiple excludes creation costs from the Wholesale segment. Creation costs included in the calculation disregard the impacts from deferred customer acquisition and installation costs, and include estimated cost synergies resulting from the Transactions. Dealer chargebacks are included in the calculation and added on to the new RMR created.

(4) Adjusted EBITDA is not a presentation made in accordance with GAAP. Our use of the term Adjusted EBITDA, varies from others in our industry. Adjusted EBITDA should not be considered as an alternative to operating income or any other performance measures

derived in accordance with GAAP as measures of operating performance. Adjusted EBITDA has important limitations as analytical tools, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. See Use of Non-GAAP Financial Information.

The measure does not take into account certain significant items, including depreciation and amortization, interest expense, tax expense and other adjustments which directly affect our net income. Specifically, Adjusted EBITDA does not take into account customer acquisition and installation related revenue and expenses. These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Adjusted EBITDA in conjunction with net income as calculated in accordance with GAAP.

We believe that Adjusted EBITDA is appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future. Further, we believe Adjusted EBITDA provides a meaningful measure of operating profitability because we use it for evaluating our business performance and understanding certain significant items.

The table below reconciles Adjusted EBITDA to net income (loss) for the year ended December 31, 2015:

(in millions)	**Predecessor Period from January 1 Through June 30, 2015**	**Successor From Inception May 18 through December 31, 2015**	**Formation Transactions Pro Forma Adjustments (a)**	**ADT Twelve months ended December 31, 2015**	**Acquisition (a)**	**Pro Forma Combined Company Year ended December 31, 2015**
Net income (loss)	$ (19)	$ (54)	$ (10)	$ 288	$ (471)	$ (266)
Interest expense, net	29	45	14	208	394	690
Income tax expense (benefit)	1	(30)	9	133	(254)	(141)
Depreciation and amortization	49	84	25	1,118	311	1,587
EBITDA	**60**	**45**	**38**	**1,747**	**(20)**	**1,870**
Adjustments						
Acquisition and integration costs[b]						$ 27
Stock compensation and other non-cash items[c]						48
Restructuring, other non-recurring and run-rate items[d]						85
Synergy cost savings[e]						274
Adjusted EBITDA including SAC expense						**2,304**
SAC expense in EBITDA[f]						439
Adjusted EBITDA						**$ 2,743**

(a) Pro forma acquisition adjustments which represent the following:

(i) Formation Transactions adjustments relating to the acquisitions of Protection Holdings II, Inc. and ASG, which were completed concurrently on July 1, 2015, and give effect to the statement of operations for events directly attributable to such transactions, including the full year results as if the acquisitions had occurred on January 1, 2015. The $38 million net increase in EBITDA is primarily attributable to the pro forma EBITDA for ASG for the January 1 through June 30, 2015 period prior to being acquired by Prime, as if ASG had been acquired as of January 1, 2015.

(ii) Adjustments relating to the Acquisition, which give effect to statement of operations for events to give effect to the Merger with ADT, including financing and acquisition accounting, as if the Merger had occurred as of January 1, 2015. The $20 million net reduction in EBITDA is attributable to the pro forma expense for the equity sponsor management fees which are added back in adjustment (d) (ii) below.

Additional details of these transactions and adjustments is included in the Unaudited Pro Forma Combined Financial Information, section of this Release in Note 7 Formation Transactions Pro Forma Adjustments and Note 8 Acquisition of ADT Pro Forma Adjustments.

(b) Relates to non-recurring expense for acquisitions and integration as follows:

(i) $22 million for Prime, primarily related to upfront and contingent earn-out acquisition payments and acquisition expenses mostly relating to transaction retention bonuses;

(ii) $4 million for ADT, primarily related to acquisition and integration costs of the business acquired of Reliance Protectron, Inc., now known as ADT Canada Inc. (**Protectron**) in July 2014; and

(iii) $1 million for ASG, primarily related to acquisition and integration including professional fees, temporary labor and transition costs.

(c) Represents (i) non-cash equity compensation of $5 million for Prime, and $24 million for ADT; and (ii) certain other non-cash items of $19 million primarily related to non-cash purchase accounting impacts for the acquisition of ASG.

(d) Relates to certain restructuring, other non-recurring and run-rate items as follows:

(i) $55 million for ADT in restructuring severance costs and non-recurring costs associated with ADT s program to upgrade customer alarm system radio transmitters from 2G to 3G technology (which we expected will be completed in 2016);

(ii) $20 million add back of equity sponsor management fees included on a pro forma basis;

(iii) $10 million in severance costs; and

(iv) the net of other smaller items connected with ADT s separation from Tyco in 2012 (which has been substantially completed), sharing of professional costs associated with resolving pre-separation Tyco tax matters, certain non-recurring items for litigation and settlement expense and gain or loss on sale.

(e) Adjustment reflects our cost synergy estimate resulting from the ASG Acquisition and the Acquisition, which we expect will be implemented and realized in the near to medium term. The $274 million estimate comprises $24 million associated with the ASG Acquisition, where savings have already started to be realized, and $250 million associated with the Acquisition. Note that our estimated synergy cost savings are based on assumptions and estimates that we believe are reasonable, but such assumptions or estimates may be subject to change over time.

(f) Represents SAC included in EBITDA, and is net of $46 million estimated SAC synergy savings included in adjustment (e). These expenses are related to the acquisition of new customers, such as advertising, marketing and both direct and indirect selling costs for all new customer accounts, as well as installation costs including equipment and labor costs for transactions where title to the security system is contractually transferred to the customer. We believe excluding SAC is useful to provide investors with information on the operational profits from the existing customer base by excluding certain revenue and expenses related to acquiring new customers, and is also permitted in covenant calculations under certain of our financing agreements.

(5) Steady State Free Cash Flow (**SSFCF**) measures the unlevered operating cash flow available from a portfolio of accounts at a specific point in time less the cash expenditures required to replace attrition in that portfolio. SSFCF is calculated as Adjusted EBITDA (reconciled to net income (loss) above) of $2,743, (i) plus $50 saving to reflect the estimated general administrative expense that would be incurred in a steady state scenario, (ii) minus $1,357 estimated SAC to replace attrition. SSFCF is a non-GAAP measure. See Use of Non-GAAP Financial Information.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2015:

on an actual basis; and

on a pro forma basis to give effect to the Transactions and the application of the net proceeds therefrom as described in Sources and Uses.

You should read this table in conjunction with Sources and Uses, Unaudited Pro Forma Consolidated Financial Information and Prime s consolidated financial statements and the related notes, which are included elsewhere in this Release.

	As of December 31, 2015	
	Actual	Pro Forma for the Transactions
	(unaudited)	
	($ in millions)	
Cash and cash equivalents	**$ 16**	**$ 5**
Debt:		
Existing First Lien Revolving Credit Facility[1]	$ 22	$
Existing First Lien Term Loan Facility[1]	1,092	1,092
New First Lien Revolving Credit Facility[2]		35
New First Lien Term Loan Facility[2]		1,555
ADT Rollover Notes and ADT Exchange Notes[3]		3,750
Total first lien debt	1,114	6,432
Existing Second Lien Term Loan Facility[4]	260	260
Prime LLC Notes[5]		3,140
Total secured debt	1,374	9,832
Capital leases[6]	15	47
Total debt	**1,389**	**9,879**
Total equity[7]	**703**	**4,726**
Total capitalization	**$ 2,092**	**$ 14,605**

(1) Represents the aggregate principal amount of borrowings outstanding under the First Lien Credit Facilities, which consist of our $95 million Existing First Lien Revolving Credit Facility and our $1,092 million Existing First Lien Term Loan Facility (as defined herein) (prior to principal payments already made of $2.7 million, and excluding OID of $8.7 million).

(2) Concurrently with the closing of the Acquisition, we will obtain the New First Lien Credit Facilities, which will consist of our $255.0 million New First Lien Revolving Credit Facility, and our $1,555 million New First Lien Term Loan Facility. The New First Lien Term Loan Facility will be fully drawn at the closing of the Acquisition. The New First Lien Credit Facilities will be incurred as incremental facilities under our Existing First Lien Credit Facilities. The draw of $35 million under the New First Lien Revolving Credit Facility has been assumed and made only for purposes of presenting the pro forma balance sheet. Based on the estimated available cash generated from operations from January 1, 2016 through the closing of the Acquisition, we do not expect to draw down on the New First Lien Revolving Credit Facility at closing. We are, however, not able to reflect the $35 million increase in estimated available cash subsequent to January 1, 2016 in the pro forma financial information. Therefore, the pro forma balance sheet is presented as if $35 million of borrowings under the New First Lien Revolving Credit Facility were drawn at closing.

(3) Represents the aggregate principal amount of all ADT Rollover Notes and any ADT Exchange Notes that replace 2042 ADT Notes exchanged in the Exchange Offer (excluding original issue discount of $8.7 million and estimated fair value adjustment of $452 million). Assumes that no Backstop Change of Control Offer is

required and no Backstop Facilities are obtained. If Backstop Change of Control Offers were to be required in respect of all of the ADT Rollover Notes, and if all of the ADT Rollover Notes were to be validly tendered and not validly withdrawn in such Backstop Change of Control Offers, then we would incur incremental annual interest expense of approximately $99.0 million, and incremental debt financing fees of approximately $155.0 million. The proceeds from such incurrence would be used to fund the purchase of all of the ADT Rollover Notes in the Backstop Change of Control Offers.

(4) Represents the aggregate principal amount of borrowings outstanding under our $260 million Existing Second Lien Term Loan Facility.

(5) Represents the Prime LLC Notes.

(6) Represents the aggregate principal amount of all Capital Leases and Other Obligations, including real estate mortgage borrowings.

(7) Includes the Equity Contribution by funds affiliated with and controlled by our Sponsor and certain other investors. In addition, and concurrent with the closing of the Acquisition, Parent will issue the Preferred Securities and Ultimate Parent will issue the Warrants to the Koch Investor for aggregate consideration of $750 million, the net proceeds of which will be contributed to Holdings in the form of common equity, and such net proceeds will be further contributed to Prime LLC and used to fund a portion of the Transactions and to pay related fees and expenses.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following pro forma combined financial information is presented to illustrate the estimated effects of the following pro forma transactions (the **Pro Forma Transactions**):

- the Formation Transactions, which were completed on July 1, 2015;
- the Acquisition; and
- the New Financing Transactions and the Rollover and Refinancing Transactions.

The unaudited pro forma combined financial information, referred to herein as the **pro forma financial information**, is based upon the historical audited consolidated financial statements of Prime, the historical audited consolidated financial statements of ASG and the historical audited and unaudited financial statements of ADT, which are included elsewhere in this Release. Prime, ASG and ADT prepare their financial statements in conformity GAAP with all amounts stated in USD.

The unaudited pro forma combined statement of operations for the twelve months ended December 31, 2015, referred to herein as the **pro forma statement of operations**, combines the (a) statement of operations data derived from the audited consolidated financial statements of Protection One, Inc. for the period January 1, 2015 through June 30, 2015 (**Predecessor**) and Prime for the period May 18, 2015 through December 31, 2015 (**Successor** and, together with Predecessor, **Prime**), (b) statement of operations data derived from the audited consolidated financial statements for ASG for the six months ended June 30, 2015 and (c) statement of operations data for ADT for the twelve months ended December 31, 2015.

ADT s historical statement of operations data for the twelve months ended December 31, 2015 have been derived by deducting ADT s historical unaudited statement of operations for the three months ended December 26, 2014 from ADT s historical audited statement of operations for the fiscal year ended September 25, 2015, and then adding thereto ADT s historical unaudited statement of operations data from the three months ended December 31, 2015. The table in Note 4 to the Unaudited Pro Forma Combined Financial Information illustrates this derivation. Historically, ADT had a 52- or 53-week fiscal year that ended on the last Friday in September. Fiscal years 2015, 2014 and 2013 were 52-week fiscal years.

The unaudited combined balance sheet as of December 31, 2015, referred to herein as the **pro forma balance sheet**, combines the balance sheet data derived from the audited consolidated financial statements of Prime as of December 31, 2015 and the balance sheet data derived from the unaudited consolidated financial statements of ADT as of December 31, 2015.

Prime is deemed to be the accounting acquirer in the Formation Transactions and the Acquisition. The pro forma statement of operations gives effect to the Pro Forma Transactions as if the Pro Forma Transactions had been completed as of January 1, 2015. The pro forma balance sheet gives effect to the Pro Forma Transactions as if the Pro Forma Transactions had been completed as of December 31, 2015. The pro forma financial information is based in part on certain assumptions regarding the Pro Forma Transactions that management believes are reasonable and are (a) directly attributable to the Pro Forma Transactions, (b) factually supportable and (c) with respect to the pro forma statement of operations, expected to have a continuing impact on the Combined Company. In addition, the pro forma financial information should be read in conjunction with the accompanying notes, referred to herein as the notes to the pro forma financial information.

The pro forma statement of operations does not reflect projected realization of revenue synergies and cost savings following completion of the Merger. Although Prime projects that revenue synergies and cost savings will result from the Merger, there can be no assurance that these will be achieved. The pro forma financial information does not purport to represent what the financial position or results of operations would actually have been if the Pro Forma Transactions had occurred as of the dates indicated or what the financial position or results of operations would be for any future periods of the Combined Company. The actual results reported by the Combined Company in periods following the Pro Forma Transactions may differ materially from that reflected in the pro forma financial information.

The fair value of the identifiable tangible and intangible assets acquired and liabilities assumed of ADT are based on preliminary estimates of fair value as of March 31, 2016. Management has not yet completed the detailed valuation analysis necessary to arrive at the required estimates of the fair value of ADT s assets to be acquired and liabilities to be assumed, and the related allocations of purchase price. Upon the closing of the Merger, a final valuation will be performed and the final determination of the fair value of ADT s assets and liabilities, including intangible assets with both indefinite and definite lives, will be based on the actual net tangible and intangible assets and liabilities of ADT that exist as of the date of the closing of the Acquisition. The final determination of fair value will be different from that reflected in the pro forma financial information, and that difference may be material.

As of the completion of the Acquisition, various other assets and liabilities are required to be measured at fair value, including, but not limited to: accounts receivable, property and equipment, subscriber system assets, leases, other investments and deferred tax assets and liabilities. As of the date of this Release, Prime does not have sufficient information to make a reasonable preliminary estimate of the fair value of these assets and liabilities. Accordingly, for the purposes of pro forma financial information, Prime has assumed that the historical ADT book values represent the best estimate of fair value.

Combined Company

Unaudited Pro Forma Combined Balance Sheet As of December 31, 2015

(in millions)	Prime As of December 31, 2015	ADT As of December 31, 2015, After Reclassification (Note 5)	Acquisition (Note 8)	Footnote Reference	Pro Forma Combined Company As of December 31, 2015
Assets					
Current assets:					
Cash and cash equivalents	$ 16	$ 75	$ (86)	(a)	$ 5
Current portion of restricted cash and cash equivalents	27				27
Accounts receivable, net	72	79			151
Work-in-progress	11	3			14
Inventory	13	94			107
Other current assets	16	126			142
Total current assets	**155**	**377**	**(86)**		**446**
Property and equipment, net	35	280			315
Subscriber system assets, net		2,555			2,555
Definite-lived intangible assets, net	978	2,983	3,698	(b)	7,659
Goodwill	928	3,670	(184)	(c)	4,414
Trade name	172		1,302	(d)	1,474
Deferred customer acquisition and installation costs	43	640	(640)	(e)	43
Restricted cash and cash equivalents, net of current portion	15				15
Other assets	39	206	99	(f)	344
Total assets	**2,365**	**10,711**	**4,189**		**17,265**
Liabilities, Stockholders Equity, and Member Capital					
Current liabilities:					
Current portion of long-term debt and capital leases	17	5			22
Accounts payable	21	189			210
Deferred revenue	69	246	(115)	(g)	200
Accrued liabilities	65	188	(12)	(h)	241
Total current liabilities	**172**	**628**	**(127)**		**673**
Long-term debt and capital leases, net of current portion	1,364	5,396	2,620	(i)	9,380

Deferred customer acquisition revenue	10	908	(908)	(j)	10
Deferred tax liability	102	739	1,471	(k)	2,312
Other liabilities	14	135	15	(l)	164
Total liabilities	**1,662**	**7,806**	**3,071**		**12,539**

(in millions)	Prime As of December 31, 2015	ADT As of December 31, 2015, After Reclassification (Note 5)	Acquisition (Note 8)	Footnote Reference	Pro Forma Combined Company As of December 31, 2015
Stockholders equity:					
Common stock		2	(2)	(m)	
Additional paid-in capital		2,353	(2,353)	(m)	
Accumulated other comprehensive loss		(112)	112	(m)	
Retained earnings		662	(662)	(m)	
Total stockholders equity		**2,905**	**(2,905)**		
Member capital:					
Member capital	757		4,304	(n)	5,061
Member deficit	(54)		(281)	(o)	(335)
Total member capital	**703**		**4,023**		**4,726**
Total liabilities, stockholders equity, and member capital	**$ 2,365**	**$ 10**			