

ADT Corp  
Form DEFA14A  
February 16, 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

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

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):

No fee required.

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

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- (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 clear 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 Parent, Parent Inc. or Parent LP 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 communication 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 will file with the SEC and furnish to the Company's stockholders a proxy statement and other relevant documents. This communication does not constitute a solicitation of any vote or approval. Stockholders are urged to read the proxy statement when it becomes available and any other documents to be filed with the SEC in connection with the proposed merger or incorporated by reference in the proxy statement because they will contain important information about the proposed merger.

Investors will be able to obtain free of charge the proxy statement and other documents filed with the SEC at the SEC's website at <http://www.sec.gov>. In addition, the proxy statement and our 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 our website at [www.adt.com](http://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 will be set forth in the proxy statement and the other relevant documents to be 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 and in its definitive proxy statement filed with the SEC on Schedule 14A on January 22, 2016.

ADT  
Employee  
Update  
Naren  
Gursahaney  
February  
16, 2016

Forward  
Looking  
Statements

ADT

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internal use only

not  
for  
distribution.

**FORWARD-LOOKING  
STATEMENTS**

This  
communication  
includes "forward-looking statements," as that  
term  
is  
defined by the  
federal securities

laws.

The forward-looking statements include statements concerning regulatory approvals and the expected timing, completion and effects of the proposed merger, the Company's outlook for the future, as well as other statements of beliefs, future plans and strategies or anticipated events, and similar expressions concerning matters that are not historical facts.

All forward-looking statements are based upon our current expectations and various assumptions, and apply only as of the date of this communication.

There are a number of



risks,  
uncertainties and other  
important  
factors that  
could  
cause  
our actual  
results to  
differ  
materially  
from  
those  
suggested  
by our  
forward-looking statements.

ADDITIONAL  
INFORMATION  
AND WHERE  
TO FIND

IT  
This  
communication  
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  
will  
file with the SEC  
and furnish  
to  
the Company's  
stockholders  
a proxy  
statement  
and other

relevant documents. This communication does not constitute a solicitation of any vote or approval. Stockholders are urged to read the proxy statement when it becomes available and any other documents to be filed with the SEC in connection with the proposed merger or incorporated by reference in the proxy statement because they will contain important information about the proposed merger. Investors will be able to obtain free

of  
charge  
the proxy  
statement  
and other  
documents  
filed with  
the  
SEC  
at  
the SEC's  
website  
at <http://www.sec.gov>.  
In  
addition,  
the proxy  
statement and our  
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 our  
website at  
[www.adt.com](http://www.adt.com).  
as soon  
as reasonably practicable after  
they  
are  
electronically

filed  
with,  
or  
furnished  
to, the  
SEC.  
PARTICIPANTS  
IN  
SOLICITATION  
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  
will be  
set forth  
in  
the  
proxy  
statement  
and the other  
relevant  
documents to  
be  
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 and in  
its  
definitive  
proxy  
statement  
filed with  
the  
SEC  
on  
Schedule  
14A  
on  
January 22, 2016.

Today's  
Press  
Release  
Highlights

Apollo  
Global  
Management  
( Apollo ) has  
entered  
into  
an  
agreement  
to  
buy  
ADT for  
\$42/share

ADT's

Board  
of Directors  
has  
unanimously  
approved  
this transaction

This  
agreement  
is  
subject  
to  
ADT shareholder  
and  
customary  
regulatory  
approvals

Pending  
these  
approvals,  
we  
expect  
the deal  
to  
close  
in  
June  
of 2016

Apollo  
already  
owns  
and  
has  
merged  
Protection  
1  
and  
ASG  
Security  
which  
operates  
under  
the  
Protection  
1 brand

ADT will  
merge

with Protection  
1 and  
the combined  
company  
will  
operate  
under  
the ADT  
brand

Apollo  
will  
keep the Boca  
location  
as  
the headquarters  
of the new combined  
company

Tim  
Whall,  
current  
President  
&  
CEO  
of Protection  
1, has  
been  
announced  
as  
the CEO  
of the  
new  
combined  
company

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Apollo Overview  
Overview  
Founded  
in  
1990,  
Apollo  
is  
a  
global  
alternative  
asset  
manager  
focusing  
on  
private  
equity,  
distressed  
debt,  
mezzanine

and  
real  
estate  
investing  
with  
a  
total  
of  
approximately  
\$162  
billion  
under  
management  
of  
which  
\$41  
billion  
in  
assets  
in  
private  
equity  
Apollo  
focuses  
on  
opportunities  
where it  
can  
be  
a  
catalyst  
for  
business-transforming  
events  
and  
create  
significant  
value,  
and  
is  
currently  
invested  
in  
over  
200  
companies  
Apollo  
has  
developed  
substantial

expertise  
and  
valuable  
relationships  
across  
nine  
core  
industries  
that  
include:  
Chemicals,  
Commodities,  
Consumer  
&  
Retail,  
Distribution  
& Transportation,  
Financial  
&  
Business  
Services,  
Manufacturing  
&  
Industrial,  
Media,  
Cable  
&  
Leisure,  
Packaging  
&  
Materials,  
Satellite  
&  
Wireless

10 Largest Investments as Sole Investor Date Investment Deal Size (\$mm) Equity Contribution (\$mm)	17-Dec-06 \$8,337 \$2,000 18-Sep-06 5,684 1,044
---	--

8-Jun-15  
3,228  
1,036  
17-Aug-07  
3,838  
2,110  
20-Dec-05  
3,306  
683  
4-Nov-06  
3,034  
498  
27-Mar-07  
2,824  
606  
25-May-06  
2,795  
767  
26-Nov-12  
2,348  
1,000  
19-May-15  
2,100  
755

Protection  
1  
Overview  
Business  
Description  
Protection  
1  
provides  
electronic  
security  
alarm  
monitoring  
services  
to  
residential,  
business  
and  
national

account  
clients  
such  
as  
Rite  
Aid,  
Access  
Financial  
among  
others  
Broad  
range  
of products  
offered  
including  
intrusion,  
fire,  
access  
control  
and  
video  
solutions  
Highly  
acclaimed  
customer  
experience  
resulting  
in the  
lowest  
net  
attrition  
among  
national  
players  
at  
<9.5%  
Operates  
five UL  
Certified  
monitoring  
centers  
across  
the  
U.S.  
Covers  
roughly  
~85% of the  
U.S.  
metropolitan  
population

Key  
Statistics  
2015  
Business  
Mix  
By  
Region  
By  
Business  
United  
States  
100%  
Residential  
66%  
National  
and  
Commercial  
34%  
Real  
Estate Footprint  
RMR  
\$40M  
Revenue  
\$622M  
EBITDA  
\$216M  
EBITDA Margin  
35%  
Subscribers  
1.7M  
Locations  
90  
Employees  
4,000

The  
Combined  
Business  
ADT  
Protection 1  
Combined  
Revenues  
\$3.6B  
\$0.6B  
\$4.2B  
RMR  
\$278M  
\$40M  
\$318M  
EBITDA  
\$1.8B  
\$0.2  
\$2.0B  
EBITDA Margin



51%

35%

48%

Subscribers

6.6M

1.7M

8.3M

Employees

17,000

4,000

21,000

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Why  
This  
Deal  
Makes  
Sense

Purchase  
price  
reflects  
a  
significant  
premium to  
ADT's  
current  
share price  
and recent trading  
trends

With

Apollo,  
we  
have a  
sophisticated  
buyer  
who  
understands  
our business  
model  
and  
supports  
the  
strategy  
we  
are  
pursuing

The combined business  
will  
allow  
us to accelerate our  
key  
strategic  
initiatives  
(Smarter  
Growth,  
Commercial  
Expansion,  
Health, Canada,  
Canopy/SBA)

Increased  
scale  
will  
position  
us to  
better  
serve  
our  
customers  
and win in  
an increasingly  
competitive  
environment

The  
combined  
company will  
create  
exciting

growth  
and  
development  
opportunities  
for our employees

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What s  
Next?

The  
deal  
still  
requires ADT  
shareholder  
and customary  
regulatory  
approvals

Until  
we  
close  
the transaction,  
we  
must  
operate

as  
separate  
companies  
and vigorously compete  
in the marketplace

At  
some time in  
the future,  
we will  
begin  
integration  
planning, but  
integration  
cannot  
happen  
until after  
the transaction  
closes

We  
will  
continue  
to update  
you  
as information  
becomes available  
via  
InsideADT  
and  
other communications  
vehicles

Until  
the transaction  
closes, it should  
be business  
as  
usual

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Rules  
of  
the  
Road

DO  
NOT  
act as  
if  
ADT  
and  
Protection  
I have merged  
until  
the  
merger  
occurs  
after closing

DO  
NOT  
make joint  
sales  
calls  
to  
customers

DO  
NOT  
discuss  
or  
agree to  
split  
or allocate  
customers

DO  
NOT  
discuss  
pricing  
or  
any other sensitive  
competitive  
information

DO  
NOT  
discuss  
this transaction  
with  
any Protection  
1 employee

DO  
NOT  
speak  
to  
the  
media  
or  
any  
current/prospective  
investors  
(forward  
media  
inquiries  
to  
Justin  
Dini



(jdini@brunswickgroup.com)  
and  
investor  
inquiries  
to  
Tim  
Perrott  
(tperrott@adt.com)

DO  
continue  
to  
compete  
in the market

Execute  
our  
strategy  
and  
aggressively  
pursue  
our  
strategic  
initiatives

If  
asked,  
tell  
our  
customers  
and  
prospective  
customers  
that  
Apollo  
has  
announced  
their  
intent  
to  
acquire  
ADT  
but  
the  
transaction  
has  
not  
been  
completed

Do  
let  
our  
customers  
know  
that ADT  
continues  
to  
be  
a financially  
strong  
company

Do  
tell  
our  
customers  
that  
ADT  
will  
continue  
to  
provide  
excellent  
service  
now  
and  
after  
transaction  
close

DO  
report  
any inappropriate  
behavior  
to  
the  
ADT  
Law  
department at  
[ethicsline@adt.com](mailto:ethicsline@adt.com)

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Questions?