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PRESS RELEASE

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DISTRICT ATTORNEY ANNOUNCES SETTLEMENT WITH VIVINT, INC.

People v. Vivint, Inc.; Case No. 19CV000112

SALINAS, California- Monterey County District Attorney Jeannine M. Pacioni announced today that her office, in conjunction with the Contra Costa County and Kern County District Attorney's Offices, resolved a consumer protection action against alarm company Vivint, Inc. ("Vivint"). The settlement was based on allegations that Vivint violated the Alarm Company Act. Vivint is an Alarm Company Operator that sells and installs alarm equipment, primarily via in-home sales. Vivint also provides alarm monitoring services.

This case arose when a retired probation officer complained to the Monterey County District Attorney's office that her elderly father with memory issues had been taken advantage of by a Vivint salesperson, who signed him to a multi-year contract. That salesperson is no longer with Vivint. The District Attorneys' investigation revealed additional instances of elderly and/or incapacitated consumers signing contracts, and also found that some consumers ended up bound to alarm services contracts with two companies when Vivint salespersons promised to pay off existing contracts, but then failed to do so. In addition, some consumers were not provided with a contract in the same language as that principally used in Vivint's in-home sales presentation.

The District Attorneys also found that Vivint's contracts failed to comply with certain provisions of a 2011 settlement between Vivint and the Contra Costa District Attorney's Office that concerned disclosure of the total price of a multi-year contract. The investigation also showed that some consumers were not adequately informed about their right to cancel their contracts without penalty within the statutory three-business day period.

Upon contact from prosecutors, Vivint worked cooperatively with prosecutors to modify its business practices and redress consumer complaints brought to its attention. In addition, during the pendency of this case, Vivint allowed consumers 65 years and older to have up to 30 calendar days to cancel their contracts without penalty, and agreed to continue this practice for at least five years.

Vivint agreed to pay a total of \$1,400,000 to settle the case, comprising \$700,000 in civil penalties and costs and \$700,000 in restitution to consumers based on specified criteria. The judgment also includes an injunction that prohibits Vivint from committing the types of violations addressed in the settlement.