EXHIBIT B

SECTION 3: The Chargeback Period

Post-Purchase/Inside Chargeback Period (ICB)

Once an account has been purchased by ADT, the account becomes the exclusive property of ADT. While ADT partners with our Authorized Dealers and shares information during the warranty period and chargeback period, it is important that communications regarding customer billing, monitoring, system support and customer needs are handled by ADT's Customer Experience and Operations teams (CX&O). Logging and recording customer interactions within our systems is critical to our long-term support goals and necessary for consistency. Authorized Dealers may not represent themselves as ADT to customers or as customers to ADT and we will not accept Dealer payments or credit requests for customer monitoring fees. Customers may be transferred to 1-800-369-0996 to speak with an ADT representative. For privacy purposes, Authorized Dealer shall be required to drop off the call.

Revenue Sharing

Except as expressly agreed to otherwise in writing, the following (together with attached Exhibit A) shall apply with regard to Revenue Sharing eligibility for new ADT Authorized Dealers with an effective date on or after the effective date of these Guidelines. For Authorized Dealers who are in good standing under their Authorized Dealer Agreement, the monthly revenue sharing fee begins in the 7th calendar month immediately following the date of your Authorized Dealer Agreement and continues for a period of up to thirty-six months from the purchase of any active purchased alarm account that has paid their MRR in full to ADT, and only when ADT has purchased an average of 15 qualified alarm accounts over the prior 6-month (calculated on a rolling basis) and Authorized Dealer has a maximum net attrition rate less than or equal to the rate designated on the assigned funding grid. In addition, in any month where Authorized Dealer's production drops by 35% or more (on a rolling 6-month average), ADT will not pay revenue sharing for that month. If volume and attrition targets are not met, ADT will not pay revenue sharing for that month.

Revenue Sharing Payments will be based on the Dealers rolling six (6) month average production as outlined below.

Rolling Six Month Average Production	Revenue Sharing Payment
15 Plus accounts	3.0%
Less than 15 accounts	0.0%

Continuing Equity

Except as expressly agreed to otherwise in writing, the following (together with attached Exhibit A) shall apply with regard to Continuing Equity eligibility for new ADT Authorized Dealers with an effective date on or after the effective date of these Guidelines. For Authorized Dealers who are in good standing under their Authorized Dealer Agreement, upon the commencement of the 37th month from the date of purchase of an active purchased alarm account, a continuing equity payment will be made monthly, as long as the Authorized Dealer's production does not drop below 35% (on a rolling 6-month average). In addition, continuing equity is forfeited for any month in which the rolling 6-month average production drops below 25 qualified alarm accounts per month. Also, continuing equity may be forfeited for any month in which the attrition rate exceeds the maximum net attrition.

Buyout

Upon expiration of your Authorized Dealer Agreement Authorized Dealers in good standing pursuant to their Authorized Dealer Agreement may be eligible for a lump sum payment of revenue sharing and continuing equity payments (rather than monthly payments over time). The conditions for this lump sum payment can be found in Section 9.7 of the Authorized Dealer Agreement. The lump sum payment is conditioned on the entering into of a Promissory Note and Loan Agreement that may make all amounts due and payable back to ADT if certain events occur (e.g., breach of the non-compete requirement).

Performance Criteria / Maximum Net Attrition

ADT's model is dependent upon customer renewals and retention. As such customer experience is paramount. Authorized Dealers are required to support ADT's efforts in maintaining long-term customers and renewals. Many terms and conditions of the Authorized Dealer Program are measured by your attrition rate. The maximum net attrition Rate is an important computation and is provided below.

Years as an ADT Authorized Dealer	<1yr	<2yrs	<3yrs	3+yrs
Maximum Net Attrition Rate Allowed	10%	12%	13%	18%

Attrition Chargeback

Authorized Dealers guarantee the purchase price of each account for a period of 395 days (13 months on average). This chargeback period is in place to ensure reimbursement to ADT of the Attrition Chargeback value for all cancelled alarm accounts and non-producing alarm accounts inside chargeback as defined in your Authorized Dealer Agreement. The ADT Dealer Portal provides information on purchased alarm customers who fall into these two categories. ADT is not always notified of a cancellation at the time a customer relocates or cancels service. In these cases, ADT will back date a cancellation to the date of the actual move. If this date falls within the 395-day chargeback period, ADT will charge the attrition chargeback value to the Dealer as a reduction from holdback reserve when available or funding if holdback reserve is insufficient. It is important that you monitor the reports on ADT's Dealer Portal to remain abreast of pending chargebacks and cancellations.

Customer MMR Credits and Rate Reductions During Chargeback Period

Customer retention is paramount, both for you and for ADT. ADT employs various retention measures and save tactics to prevent customer cancellation and to improve long-term retention. From time to time, it may be necessary for ADT to extend a credit or rate reduction as part of these efforts. Costs associated with rate reductions or MMR credits during the chargeback period and associated with accounts that you have sold to ADT may be charged to you in order to attempt to avoid a full attrition chargeback (i.e., the original purchase price paid to you for a given account).

Non-producing Accounts

ADT endeavors to notify Dealers via the Dealer Portal of non-producing and cancelled alarm accounts during the chargeback period provided on Exhibit A. Reports are typically updated daily to include customers who are not paying according to terms, have moved and/or have cancelled their monitoring service. Once cancelled, the purchased alarm account will become a chargeback account and the attrition chargeback value is due immediately. The pending cancel report is typically generated weekly, but the DLR/MVR report is typically done daily. For non-pay those would be on the weekly report or the weekly aging report.

Chargeback Disputes

Dealers have the opportunity to dispute chargebacks through Dealer Support but must do so within 120-days of the chargeback date. Disputes must be submitted in writing and must include the relevant information to review the account as well as the reasoning for the dispute. Most disputes are the result of a successful relocation. Once a purchased alarm account moves and cancels service, he or she may choose to establish service at a new location. If the Authorized Dealer creates the new order and account at the new location, they may submit the account for funding in accordance with the resale matrix. If ADT captures the relocation or reinstatement within 120 days of cancellation and a dispute has been submitted by an active Authorized Dealer, who is in good standing, within that 120 day period then ADT may reverse the attrition chargeback value, refunding it to the Dealer.