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KS. DISTRICT COURT
THIRD JUDICIAL DIST.
TOPEKA, KS

2013 MAR 11 P 3:31

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 1

STATE OF KANSAS, *ex rel.*,)
DEREK SCHMIDT, Attorney General,)
)
Plaintiff,)
)
v.)
)
Vivint, Inc.)
(F/K/A/ APX Alarm Security Systems, Inc.))
)
Defendant.)

Case No. 13 C 298

(Pursuant to K.S.A. Chapter 60)

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 11 day of March, 2013, Plaintiff's Journal Entry of Consent Judgment comes before the Court pursuant to K.S.A. 50-632(b). The Plaintiff, State of Kansas, *ex rel.* Derek Schmidt, Attorney General, appears by and through Adrian Serene, Assistant Attorney General. Defendant appears by and through Tom Lemon, Attorney for Defendant.

WHEREUPON the parties advise the Court that they have stipulated and agreed to the following:

PARTIES, JURISDICTION, AND VENUE

1. Derek Schmidt is the duly elected and acting Attorney General of the State of Kansas.
2. The Attorney General's authority to bring this action is derived from the statutory and common law of the State of Kansas, specifically the Kansas Consumer Protection Act, ("KCPA") K.S.A. 50-623 *et seq.*

3. Defendant Vivint, Inc. is a corporation organized and existing under the laws of Utah.
4. Defendant has a principal place of business at 4931 N. 300 W., Provo, Utah 84604.
5. Defendant is a “supplier” within the definition of K.S.A. 50-624(l).
6. Defendant is engaged in “consumer transactions” in Kansas, as defined by K.S.A. 50-624(c).
7. Jurisdiction and venue are appropriate in District Court of Shawnee County, Kansas, pursuant to K.S.A. 50-638(a) and (b), respectively.

ALLEGATIONS

8. Defendant is engaged in the advertising, soliciting, and sale of residential security alarm installation and monitoring services within the State of Kansas.
9. Defendant solicits Kansas consumers through door-to-door sales within the State of Kansas.
10. Defendant is alleged to have committed deceptive and/or unconscionable acts or practices in connection with the solicitation and installation of Defendant’s residential alarm systems, in violation of K.S.A. 50-626 and K.S.A. 50-627, respectively.
11. Defendant is alleged to have violated the door-to-door sales and door-to-door sales cancellation provisions of K.S.A. 50-640.
12. Defendant is alleged to have committed certain deceptive, unconscionable, and door-to-door sales violations against “elder or disabled persons,” as such terms are defined by K.S.A. 50-678.
13. Defendant denies the Plaintiff’s allegations. The parties enter into this Consent Judgment to expedite an end to Plaintiff’s investigation of Defendant’s business activities in Kansas.

14. The parties agree to this Consent Judgment without trial or adjudication of any issue of fact or law solely for the purpose of settlement. This Consent Judgment does not constitute evidence of any violations of law.

INJUNCTIVE RELIEF

15. Defendant agrees to comply with the KCPA in all transactions involving Kansas consumers.

16. Defendant agrees to adhere to local city ordinances relating to licensure or registration of salespersons and technicians within the State of Kansas.

17. Unless explicitly authorized to do so by the consumer, Defendant shall not install its alarm system until the expiration of the three-day right of cancellation found in K.S.A. 50-640.

18. Defendant agrees to inform each consumer with an existing alarm system that Defendant is a company distinct from the consumer's existing supplier, and that the consumer may be still be obligated to or incur an early termination fee from the existing alarm company upon cancellation.

19. Defendant agrees to pay the consumer the actual amount necessary to reinstall any residential alarm system installed at the time Defendant installs its residential alarm system, in the event a consumer cancels their contract with Defendant within the three-day right of cancellation period found in K.S.A. 50-640.

20. Defendant agrees to be permanently enjoined from entering into, forming, organizing, or reorganizing into any partnership, corporation, sole proprietorship, or any other legal structures, for the purpose of avoiding compliance with the terms or this Consent Judgment.

21. Defendant has voluntarily released from any contractual obligation and paid restitution to at least nineteen Kansas consumers. The total amount of restitution voluntarily paid by

Defendant to Kansas consumers is one thousand, seven hundred sixty-nine dollars and fifty-one cents (\$1,769.51).

22. Defendant agrees to pay to the Plaintiff a civil penalty of twenty thousand dollars (\$20,000.00). The civil penalty payment is due upon the filing of this Consent Judgment.

23. Defendant agrees to pay to the Plaintiff an investigative fee of thirty-five thousand dollars (\$35,000.00). The investigative fee payment is due upon filing of this Consent Judgment.

OTHER PROVISIONS

24. The provisions of this Consent Judgment will be applicable to Defendant.

25. Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Consent Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the modification of any of the provisions hereof, for the enforcement of compliance herewith, and for the punishment of violations thereof.

26. If any portion, provision, or part of this Consent Judgment is held to be invalid, unenforceable, or void for any reason whatsoever, that portion shall be severed from the remainder and shall not affect the validity or enforceability of the remaining provisions, portions, or parts.

27. Compliance with this Consent Judgment does not relieve Defendant of any obligation imposed by applicable federal, state, or local law, nor shall this Consent Judgment preclude the Plaintiff from taking appropriate legal action to enforce any other statutes under his jurisdiction or from any other Federal or State agency to enforce any other federal, state, or local law under its jurisdiction.

28. The parties understand that this Consent Judgment shall not be construed as an approval of or sanction by the Attorney General of the Defendant's business practices, nor shall the

Defendant represent the Consent Judgment as such approval. The parties further understand and agree that any failure by the State of Kansas or by the Attorney General to take any action in response to any information submitted pursuant to this Consent Judgment shall not be construed to be an approval of or sanction of any representations, acts, or practices of the Defendant nor shall any inaction by the Attorney General be considered a waiver by the Attorney General of any rights under this Consent Judgment or the law.

29. Defendant agrees to make available and/or disclose the provisions of this Consent Judgment to each officer, director, and employee of management level that is involved in any Kansas operations within ten (10) days of signing this Consent Judgment.

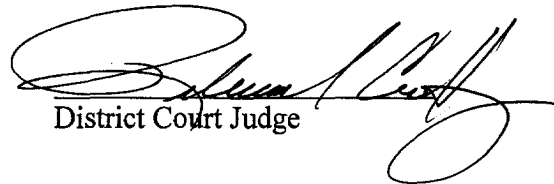
30. Defendant hereby represents and warrants that Defendant has had the opportunity to consult with and receive the advice of legal counsel regarding all matters relative to this Consent Judgment, including the rights and obligations of Defendant under this Consent Judgment and the consequences of breach hereunder. Defendant represents that Defendant has read the Consent Judgment and knows and understands the contents thereof. Defendant further represents and warrants that Defendant is signing this Consent Judgment as the result of its own free act, and that Defendant has not relied on any statement(s) or representation(s) of the Attorney General or anyone acting on his behalf, except for those contained in this Consent Judgment.

31. By signing this Consent Judgment, the representative of the Defendant represents and warrants that such person is duly and legally authorized to execute this Consent Judgment on behalf the Defendant, thus binding the Defendant to the provisions of this Consent Judgment.

32. Defendant has denied the allegations made by the Plaintiff and the entry of this Consent Judgment shall not be deemed to be an admission by the Defendant of the violations alleged.

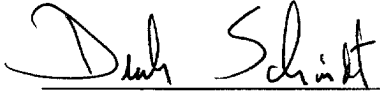
IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that the stipulation and agreement of the parties contained herein are adopted and approved pursuant to the Kansas Consumer Protection Act and the provisions of K.S.A. 50-632(b) as the findings of fact and conclusions of law of the Court and that judgment is entered against Defendant and in favor of Plaintiff for civil penalties in the amount of \$20,000.00 and investigative fees in the amount of \$35,000.00; the terms of the Consent Judgment are approved and adopted as the Order of the Court.

IT IS SO ORDERED.


District Court Judge

Prepared and approved by:

Attorney for Plaintiff




Derek Schmidt, KS# 17781
Attorney General
Office of the Attorney General
Consumer Protection Division
120 SW 10th Ave., 4th Floor
Topeka, Kansas 66612



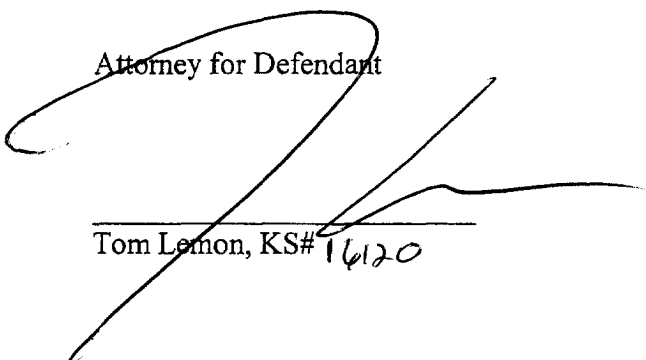
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Defendant:

Vivint, Inc.


By: Nathan Wilcox
Its: Secretary and General Counsel

Attorney for Defendant


Tom Lemon, KS# 16120