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Judge OKs \$16M settlement against security company

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A California federal judge approved a \$16 million settlement between ADT Security Services and its customers who sued after claiming the company did not tell those who purchased its wireless security systems that they were not encrypted and, therefore, vulnerable to hacking.

U.S. District Judge Jon S. Tigar of the Northern District of California gave the final stamp of approval to the class-action settlement on July 22 that was preliminarily approved in October 2017.

Lawsuits were filed in Illinois, Arizona, California and Florida.

The case includes about 15,000 Illinois residents out of 404,632 approved claims, according to lead class attorney Thomas A. Zimmerman Jr., of Zimmerman Law Offices P.C.

Tigar found the settlement was fair, reasonable and adequate, according to his order.

Customers who purchased wireless home security systems claimed in the lawsuit that ADT made misrepresentations and omitted statements in its advertising, in violation of the Consumer Fraud Act, about the equipment being at risk to hacking.

Had customers known this fact, Zimmerman said, they could have chosen to purchase hard-wired home security equipment if encryption was important to them.

ADT argued the claims were nothing more than “generalized, nonactionable puffery,” according to court documents.

Puffery is “the exaggerations reasonably to be expected of a seller as to the degree of quality of his or her product, the truth or falsity of which cannot be precisely determined,” court documents stated.

ADT also alleged there was no alternative for customers available because there was no encrypted wireless residential system on the market, Zimmerman said.

Class members who contracted with ADT between Nov. 13, 2009, and July 23, 2014, are expected to receive \$15.08 each whereas those who contracted with ADT between July 24, 2014, and August 15, 2016, can expect to receive \$45.22 each.

“It was years of hard fought litigation,” Zimmerman said. “We are very pleased we were able to obtain monetary relief for the class members.”

The class was also represented by Mark A. Chavez of Chavez & Gertler LLP in Mill Valley, Calif., and Francis J. Balint Jr. of Bonnett, Fairbourn, Friedman & Balint P.C. in Phoenix.

ADT was represented by Mark L. Levine of Bartlit Beck LLP. He could not be reached.

The case is *Michael Edenborough, et al., v. ADT LLC, et al.*, 16 CV 02233 JST.

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