

## DISCUSSION AND BACKGROUND REGARDING THE CHANGES WE ARE MAKING

**Q: Why are you changing the way you charge for servicing systems? I already pay for monitoring – shouldn't that cover some of the maintenance costs also?**

Despite the ever increasing costs of doing business, we have never increased our base rate for monthly monitoring fees for burglary alarm systems. In fact, we have actually reduced them at times. In addition, **monitoring charges have never covered the cost of servicing the systems anyway.**

The decline of traditional "land line" phone service has caused increasing reliance upon cellular and internet connections in order for alarm systems to communicate signals to the monitoring center. Also, due to the proliferation of "Smart Devices," the "Internet of Things," the "Connected Home," etc., today's alarm systems are not the isolated, single-role systems they once were. We are now in an environment in which the stable and reliable format (analog phone service), that these systems once relied upon to send signals, is rapidly coming to an end. Yet there is a consistent addition of more and more capabilities and features to the systems in which constant communication with them is required.

Due to both marketplace and FCC regulations, the days are numbered where the alarm system is simply connected to ONE party (the phone company), a service that had government mandated up-time in excess of 95%. Even "standard" phone service today is commonly coming into the home through non-traditional means such as cellular, satellite, the cable company, or even through your internet connection. This means that when your cable service and/or your internet service, or potentially even when your private network (wi-fi, switch, or router) are not working properly, you may also experience a loss of phone service. Therefore, it is also possible your alarm system may not be able to communicate to the monitoring center when something like the internet or wi-fi isn't working properly.

Because of these various developments, we have long recommended to our customers to utilize one of our cellular reporting options for either backup or the primary means for the system to communicate to the monitoring center. This is when we connect a dedicated cellular communicator to the system which can report the alarm system's signals to the monitoring center, regardless of whether the phone service (or internet) is working or not, or when the customer has no such services coming into the home at all. **(If you were not aware of this option please call our office for details.)**

Also surrounding the issues of relying upon less stable forms of communication, such as internet service and wi-fi, the result is that the service provider of your alarm system (Wired-Up Systems in this case) receives more and more support calls for items that are not necessarily related to the operation of the alarm system itself, nor provided by us. Fielding these calls and sending technicians to investigate internet service, wi-fi, network connections, etc. requires more and more physical and knowledgeable resources than historically was necessary.

Over the past several years, alarm systems have become complex, multi-role control systems that not only help keep you and your property safe, but also have the ability to communicate with and control devices not traditionally thought of as part of an alarm system. Devices such as cameras, thermostats, electronic door locks, garage door controls and lighting controls can greatly enhance the security and functionality of your system. These types of devices can easily be automated by events (such as arming or disarming the system), by a schedule, or manually controlled from anywhere through an app on your smart device or from your computer.

However, the down-side to all of these amazing features can be that these multi-role functions rely heavily on those very "third party" services previously mentioned, such as cellular, internet service, and networking infrastructure (switches, routers, wi-fi, etc.).

Because of these rapidly changing technologies and complex environments in which alarm systems are now required to operate in, a significant amount of ongoing training and education is required in order to maintain a skilled workforce that is able to understand, install and maintain these systems. Our workforce must include skilled

technicians who have at least a foundational understanding of devices that are not necessarily a part of your alarm system, but must also be functioning properly in order for your system as a whole to work. Such devices might include things like modems, HVAC systems, wi-fi, routers, switches, electrical, dynamic DNS hosting, cellular repeaters/boosters, and multiple mobile device platforms (OS's). Many, if not all, of these services and/or devices were not required in order for your alarm (or audio/video) system to function or communicate properly just a few short years ago, but are now critical for proper operation and full functionality of the system.

The ability to offer these latest available technologies and solutions to our customers, and to be able to maintain a skilled workforce capable of installing and maintaining these systems, are among the primary reasons we **have implemented this new Customer Care Program.**

**These plans will help you dictate the costs associated with the servicing needs of your system, and will help us maintain the high level of service and fast response times we try very hard to give to all of our customers as your LOCAL provider.**

**To keep your service rates roughly the same, or even lower than those you have grown familiar with, we have automatically enrolled you into one of these new care plans. If you are not currently a GOLD customer with us, then you have been enrolled into our "BASIC" Burglary Alarm Care Plan at \$5.99/month.**

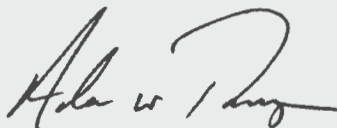
If you are one of our GOLD customers, then you have automatically been enrolled into our new PREFERRED Care Plan at \$11.99/month\*\*, though you may be interested in upgrading to our new VIP Care Plan – a new type of plan we're offering that covers BOTH LABOR AND PARTS. At \$20/month\*\*, any service call needed for repairs is covered for labor and parts, instead of simply receiving 10% off of repair parts as you did on the GOLD Plan, or will under the new Preferred Plan.

**As mentioned in the cover letter, enclosed is a pre-addressed return card that allows you to choose to upgrade the plan you were automatically enrolled in, or to OPT OUT of the Care Plan Program. We encourage those who are concerned about costly unexpected service calls to take advantage of the peace of mind the Preferred and VIP plans offer. To avoid any automatic enrollment or charges, please return this card to us at our office by November 25, 2016.**

You will find an electronic copy of this letter and all the related documents, as well as additional information regarding our new Care Plans, on our website at [wired-upsystems.com/careplans](http://wired-upsystems.com/careplans).

I want to sincerely thank you for your time and for being a customer of our company. We love what we do at Wired-Up Systems and we love taking good care of our customers. If you do choose to opt out of your new care plan, rest assured that we will still treat you as the valued customer that you are. You will simply not be able to take advantage of the cost savings these plans offer on service, labor and parts, or the priority scheduling offered to those customers who are enrolled in a plan. Again, we thank you and as always, feel free to reach out to us at our local office if you have any questions.

Sincerely,



Adam Thompson – CEO



Jeff Summers – COO

\*\*Coverage of automation devices and cameras is additional.