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INSIDE

COMMERCIAL & SYSTEMS INTEGRATORS 22

Carter Bros. buys Edwards
 Cisco signs up Adesta
 WPCS buys ACTI out of the blue for wireless

FIRE SYSTEMS INSTALLATION 27

Sprinkler bill has legs
 NFPA plans party for Boston backyard
 Freedom for Ft. Knox

MONITORING 33

DICE explores Vista
 New Quick funding
 American Two-Way goes shopping in L.A.

RESIDENTIAL SYSTEMS 38

The Brink's story
 Barnes/Buchanan report
 APX Alarm gets a new data center, keeps growing

SUPPLIERS 65

Mace tells Kelly, "No."
 ScadaCam comes home
 Honeywell teams with Novell, buys ActiveEye

STATS 2

NEWS 4

EDITORIAL 20

COMMENTARY 20

MARKET TRENDS 30

QUOTED 68

AD INDEX 68

DATABANK 70

Two industry leaders look forward

CEO Juan Vallejo talks about the new Securitas Systems, five months independent

By L. Samuel Pfeifle, editor

SANTA MONICA, Calif.— In prepared remarks for security industry veterans and capital investors here at the fifth annual Security Growth Conference, and in a wide-ranging interview immediately following, Securitas Systems chief executive officer Juan Vallejo outlined a new vision for Securitas Systems: "Organic



Juan Vallejo

growth before acquisitions is the new mantra," he said. "In all of our countries, we create great margins and cash flows, but we have no inspiration and development without organic growth."

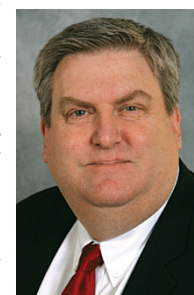
This came in March, following a five-month period in which Securitas Systems purchased integration firms in Italy, Norway and Sweden.

See Vallejo on page 24

Brett Bontrager, head of Stanley Convergent Technologies Group, discusses the HSM effect

By L. Samuel Pfeifle, editor

INDIANAPOLIS—Perhaps there finally exists in the United States a truly national security systems integrator. Two months after absorbing HSM into the newly created Stanley Convergent Technologies Group he runs, Brett Bontrager thinks he's just about there.



Brett Bontrager

"Time will tell," he said, "and we've got to prove

out the business model, but it would be our belief that we are the only company that can truly be called a national integrator."

This comes just six months after PSA Security president Bill Bozeman launched a national accounts program for his members by saying: "Everybody knows that this is the truth: No one, not ADT, See Bontrager on page 24

Is ASG the next great alarm company?

By Martha Entwistle, managing editor

BELTSVILLE, Md.— The news out of ASG's Beltsville headquarters in early March had a familiar ring, another solid company acquired (this time it's a fire integrator in Dallas) that will help this super-regional build density in its hubs.

"Hopefully, you see a pattern here," said Bob Ryan, ASG's vice president of market-



ing and sales. Since chief executive officer Joe Nuccio took over a reorganized ASG in 2003, the company has been growing steadily. Michael Barnes, a partner in Barnes Associates, an investment banking and consulting firm that specializes in the security alarm industry, complimented

See ASG on page 25

Back to school MDI: Reinvented for the last time?

By L. Samuel Pfeifle, editor

SAN ANTONIO—A \$2.6 million funding round from Stratis Authority has led to a \$25.3 million contract with six southeastern school districts for MDI Security Systems. The security management software manufacturer, which has a new focus on system design and end user support, may have finally turned the corner in a many-year reinvention that began with Honeywell's acquisition of Ultrak in 2002.

At that point, MDI was part of the non-CCTV leftovers Honeywell didn't want and part of a new American Building Controls, which sold its retail security arm to Mace and renamed itself MDI in 2004, the year current chief executive officer J. Collier Sparks took his office.

See MDI reinvents on page 67

Talk to "MAMA" Medical Alert Monitoring Association to hold its first meeting at ISC West

By Elisabeth Wilkins, associate editor

BROOMALL, Pa.—The Medical Alert Monitoring Association, or "MAMA," will officially hold its first annual meeting March 28 at this year's ISC West convention in Las Vegas. Ken Gross, of Connect America Medical Alarm Company, and president of the newly created MAMA, said the impetus for starting the association was "to share ideas" in the medical alert monitoring arena.

The founding members of the board are Gross; Richard Bangarter of Rescue Alert in South Jordan, Utah; Christopher Baskin of American Two-Way in North Hollywood,

See MAMA meets on page 35

In this issue:

• **Market Trends: Mass notification is primed to hit the commercial market. Page 30.**

• **Special Report: With interest in IP training on the rise, certifications get tech-heavy, go global. Page 44.**

• **IP White Paper: IP is everywhere. Learn how integrators are partnering for growth, making money off of VoIP and using IP in fire installations. Plus, learn about progressive IP installations and how to manage the flow of information. Special enclosed supplement.**

• **Five Questions: Ever been to the California Delta? Page 70.**

ASG the new HSM?

Continued from page 1

ASG's business model: "They have remained geographically-focused, broad based in their service offerings for both residential and commercial customers, and been disciplined in their acquisition activity."

With nearly \$3 million in RMR, ASG "will soon be sneaking up on being one of the top 10 alarm companies in the nation," Barnes predicted.

Where is ASG headed? Is it positioning itself to be the next HSM? "They don't have the geographic breadth of HSM, but we should all keep an eye on them. There are similarities," said Barnes. "First, Joe Nuccio worked with Jim Covert for a number of years, and he has a similar drive to succeed. Second, ASG has significant management depth, much as HSM. And, lastly, ASG has some heavyweight investors that have the capacity to continue to support their rapid growth."

On March 2, ASG announced the acquisition of Abbot Security of Dallas. Ralph Masino, ASG's chief financial officer, described the deal as a "model transaction" that "adds density to the existing market and significant fire capability to our Dallas operation."

Abbot specializes in large commercial fire integration projects and also has traditional burglar alarm accounts. The company brings 5,200 customers and \$135,000 in RMR. Dallas is now ASG's biggest branch, with \$750,000 in RMR.

The Abbot acquisition follows the December acquisition of Accutech, a Washington, D.C.-based integrator that brought capabilities in government contract work.

Ryan said Abbot is "a 10-year-old company that's homegrown with an account base that was built in the right way, one customer at a time, and who are very loyal." In addition, Abbot has "design professionals, project managers, and a very experienced fire staff. The acquisition will allow us to take on larger projects and spin [Abbot's fire customers] into our specialty, big security integration projects." Abbot's 24 employees, including former owner Kelly Gill, have joined ASG. Gill is leading fire sales in the Dallas market for ASG.

Abbot was not looking to be acquired. "Rory Russell [of Acquisition Funding Services] was instrumental in getting the seller to come out of the woodwork," Ryan said. Russell sourced the transaction and represented the seller in the deal.

Gill said, "Until I started talking to Joe [Nuccio, chief executive officer of ASG] and Ralph, I worried about keeping the structure

of the company together, but the more I got to talking with them, the more I realized it would be a good match."

Gill and the other former Abbot employees are in the process of moving into ASG's Dallas branch office.

ASG's focus has been on de-

veloping the competency and resources of its three hubs in Texas and the Mid-Atlantic region. In the next 24 months, Ryan said, with the built-in capability for sales, design, installation and service in each of these hubs, the plans are to further build its commercial integrated services.

Speaking at the March 6 and 7 Security Growth Conference in

Santa Monica, Calif., ASG CEO Nuccio said ASG expects to hit \$3 million in RMR in 2007. "Our sweet spot is in that commercial engineered system, \$25,000 to \$150,000 [projects] is a nice place to play in," he said. "We're not going to do airports, but we'll do some pretty large projects, we're very structured in our fire business. We have a good, efficient

commercial channel."

Barnes said, "I can't say enough good about the company. We know the management team, and have seen their operating metrics. They are delivering some really impressive results ... the kind that can get a lot of attention ... much like HSM." *SSW*

L. Samuel Pfeifle contributed to this report.

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