

The SECURITY Advisor

a magazine published by Security ProAdvisors for the Security Industry

PRESIDENT'S CORNER

Hello and welcome to the latest edition of *The Security Advisor*.

This edition of *The Security Advisor* features a Q-and-A

interview with Kathy Michalko, a 20-plus-year veteran of the *United States Secret Service* who served on presidential detail from 1998-2005, including on 9/11, and also held the position of special agent in charge of both the New York City and Rome field offices.



Now the Charlotte-based chief security officer at *Wells Fargo Bank*, which is headquartered in San Francisco, Ms. Michalko leads an experienced team on the physical security side while working in tandem with the bank's cybersecurity leaders. She told us about the main risks the bank faces, how she draws upon her background in facing them, how she works alongside her digital security partners, and the growth of women in the profession.

As always, this issue features a rundown of the latest mergers and acquisitions in the security space over the past six months. For starters, perhaps no company has been more active than *Pye-Barker Fire & Safety*, which has purchased New York-based life safety solutions provider *Amherst Alarm*, alarm systems company *AC Daughtry Security Systems*, central Florida security provider *The Hartline Company*, and Ohio-based security, monitoring, and fire alarm dealer *Shiver Security Systems*.

Other deals since last winter have included Pittsburgh-based *St. Moritz Security Services, Inc.*, purchasing the security division assets of Lincoln, Nebraska-based *AgTac Services LLC*, in a deal that we at *Security ProAdvisors* brokered.

Elsewhere, *Allied Universal* has acquired *Landmark Event Staff Services* and, in concert with its subsidiary *MSA Security*, Las Vegas-based *Elite Tactical Security Solutions*. *Prosegur Australia Holdings Limited* and *Linfox Armaguard Pty Limited* have merged and will operate under the *Armaguard* brand. *Securitas*, which bought *STANLEY Security* from *Stanley Black & Decker* last summer, has launched the new *Securitas Technology* brand.

In still other deals across the security industry that we detail in this issue:

- Life safety and security provider *Wayne Alarm Systems* has purchased Topsfield, Massachusetts-based *Red Alert Alarm Systems*.
- *Pavion* has acquired *Turnkey Technology*, *Netronix Integration* and Andover, Massachusetts-based *Security Source*, a provider and servicer of video-based security and loss prevention solutions.
- West Palm Beach, Florida-based *Security 101* has bought commercial security systems design and installation services provider *Security Solutions Northwest*.
- *The Iliad Group*, a three-decade-old firm based in France, has purchased a majority stake in French cybersecurity specialty company *ITrust*.
- *Checkpoint Systems*, a provider of RFID and RF technology solutions, has acquired *Alert Systems*, a Denmark-based Internet-of-things provider that specializes in metal and magnet detection in the retail industry.
- *OMNI Resource Management* has bought Massachusetts-based security systems contractor *Alarm Computer Technology*, provider of video surveillance, burglar and fire alarm, and automation systems.
- *Mitie Group* has purchased United Kingdom-based security services provider *R H Irving Industrials*.
- *Doyle Security Systems* has acquired Albany, New York-based *AMS Security Plus*.
- Chicago-based private equity firm *GTCR* has partnered with two former executives to buy the fire and security segment of Irving, Texas-based *ADT Commercial*.
- *Alert 360*, a provider of local security consulting, installation and support, has acquired southern California-based security alarm accounts from *Caliber Security*.
- *Altus Fire and Life Safety*, has purchased Clinton, Massachusetts-based *Priority Fire and Security Inc.* German industrial group *Robert Bosch GmbH* has purchased Canadian security and life-safety services provider *Paladin Technologies*.

continued on next page...

The SECURITY Advisor

Security Industry Retains Strength in Face of Continued Macro-Economic Issues

Macro-economic issues continue to plague global economies. Inflation has shown some moderation but not enough to allow central banks to lower interest rates. The central banks in the U.S. and Europe have mostly raised interest rates or kept them at a level higher than had been experienced since 2007.

Borrowing is more costly, and the increased cost of capital hinders the ability to finance expansion. To stay lean, security companies are closely monitoring receivables and operating costs. Low unemployment rates have prompted security companies to pay increased wages to attract and retain employees and raise prices to cover increased costs.

Still, the demand for contract security services remains very strong due to several factors, not least the fear of crime on a global basis. Security company owners are reporting that getting security officers to fill posts has been troublesome. Increasingly, physical security integration is being used to reduce manpower where possible while improving security effectiveness and capability.

For many reasons, I foresee new buyers entering the market. As I have reported, there have been a significant number of transactions, yet the industry remains fragmented. Investors are attracted to continued strong demand for security services, and a history of doing well during economic downturns. Companies with a record of recurring revenues, strong cash flow, and good management remain attractive to buyers. Despite macro-economic issues, valuations for security companies remain strong.



This edition ends with my commentary about the *Time* magazine series of articles you might have read a few months back about the security industry. While the series reports on some specific deficiencies in hiring, training and supervision, it provides little context about the largely positive impact the industry provides, every day, in a wide range of scenarios.

Keith Oringer
Founder and President
Security ProAdvisors



For more information about **Security ProAdvisors**, please go to <https://securityproadvisors.com>

THE SECURITY ADVISOR

Published twice a year, *The Security Advisor* is a magazine dedicated to news in the security industry throughout the world. *The Security Advisor* is published by **Security ProAdvisors**, providing advisory, consulting, and brokerage services to the security industry - guarding, system integration, and electronic security. **Security ProAdvisors** represents sellers in security transactions.



The SECURITY Advisor

HEADLINES



Allied Universal Acquires Elite Tactical Security, Landmark Event Staffing

Allied Universal and its subsidiary *MSA Security* have acquired the Las Vegas-based *Elite Tactical Security Solutions*, while separately, *Allied* has acquired *Landmark Event Staffing Services*.

Founded in 2010, *Elite Tactical* provides specialized security services to hospitality and entertainment clients - such as stadiums, convention centers, commercial properties, and special events spaces - in and around Las Vegas. The acquisition brings 40 security professionals who handle guarding and executive protection, who have become part of *Allied*, as well as 10 ATF-licensed canine firearms detection teams, who have joined *MSA*.

"Over the past several years we've seen a dramatic shift in the threat landscape with frequent active shooter incidents," said *MSA Security* President Glen Kucera. *"The services MSA Security and Allied Universal provide are more critical than ever to sustain safety and security. We are excited to expand our reach in the Las Vegas region with explosives- and firearms-detection canines to service numerous high-profile venues."*

"We are thrilled to join the Allied Universal organization," said Maribah and Richard Diaz, cofounders of *Elite Tactical*. *"MSA Security and Allied Universal have an impeccable reputation and a robust infrastructure to help clients face the security challenges of today and into the future."*

"The acquisition of Landmark, a comprehensive event security and guest services provider, supports Allied's continued expansion in the event services arena," said Steve Jones, global chairman and CEO. *"The acquisition of Landmark is an example of the type of organization we want to join the Allied Universal family, where culture and well-respected event service leadership and operations align with our values and goal to be the world's best service company,"* he said.

"Combining two of the industry's leading event staffing companies provides an exceptional breadth of event services to our current and potential customers," said Mike Harrison, *Landmark* co-founder. *"We are enthusiastic about what the future holds for our organizations."*



Wayne Alarm Systems Purchases Red Alert

Life safety and security provider *Wayne Alarm Systems* has purchased Topsfield, Massachusetts-based *Red Alert Alarm Systems*, a 45-year-old company that serves more than 700 customers in the Boston metropolitan area.

Red Alert will continue to do business under the banner of *Wayne Alarm Systems*, which has provided the former with monitoring services since its founding. *Red Alert* founder David Martin helped with the transition and will continue working as a part-time sales consultant.

"The combination of Red Alert Alarm Systems with our company increases our market share, adds to our geographic presence, and provides our new clients with even greater access to new security technologies including video, access control, fire, intrusion, and managed services," says Ralph Wayne Sevinor, President of *Wayne Alarm Systems*.



Security 101 Buys Security Solutions Northwest

West Palm Beach, Florida-based *Security 101* has bought commercial security systems design and installation services provider *Security Solutions Northwest*, which both widens *Security 101's* presence in the Washington State, broadens its services to include life safety systems along with fire testing and inspection, and complements its education, government and property management client base.

"Given SSNW's commitment to exceptional customer service and their deep relationships, it is a natural fit for Security 101," said Steve Crespo, CEO of *Security 101*, which has more than 50 locations throughout the U.S. and provides a full suite of security services. *"The acquisition of SSNW expands our national footprint and broadens the scope of our service offerings to include life safety systems - advancing our capabilities in fire testing and inspection services."*

"We're proud of the reputation we've established in our local markets and the longstanding relationships we've built through our customer-first approach," said Jamie Vos, President of *Security Solutions Northwest*, which was founded in 1904. *"Partnering with Security 101 enables us to enter new industries nationally while we continue to provide existing customers with the exceptional security service they've come to expect over the years."*

The SECURITY Advisor

HEADLINES

Pye-Barker Buys Four Companies

Pye-Barker Fire & Safety has bought four companies in the first half of 2023: New York-based life safety solutions provider *Amherst Alarm*, alarm systems company *AC Daughtry Security Systems*, central Florida security provider *The Hartline Company*, and Ohio-based security, monitoring, and fire alarm dealer *Shiver Security Systems*.

Amherst handles fire alarm, security, monitoring, video surveillance, access control and emergency services for restaurants, stores, warehouses and other types of businesses in Western New York.



"Amherst Alarm has been in my family for nearly 40 years, so it was important for me to find the right organization to continue the work we've done for our team and clients," said Tim Creenan, who co-founded the company with his wife, Maryann, and will continue to lead its team. *"We believe Pye-Barker is the best fit to meet the needs of the communities we serve and help them protect life and property."*

"Pye-Barker is honored to build on the success of the Creenans and Amherst Alarm," said Bart Proctor, *Pye-Barker* CEO. *"Over 100 fire and life safety business owners have entrusted Pye-Barker to continue their legacies, in large part because of our commitment to upholding the family-oriented environments they've created."*

AC Daughtry provides such services as fire inspections, fire alarm systems, video surveillance, intrusion alarms, intercoms, access control, environmental detection, consulting and custom security for commercial customers in New Jersey and the southern portion of New York State, including New York City.



"I believe that success relies on a commitment to simultaneously care for our team members and our customers," says Heather Kahl, President and Owner of *AC Daughtry*. *"When evaluating next steps for my team, I knew I wanted to join an organization like Pye-Barker that invests in their people while upholding high standards for customer service."*



The deal with *The Hartline Company*, which provides alarm and fire prevention in addition to security, enables *Pye-Barker* to add security to its existing fire protection services in the central Florida market. Founded in 1984 by its longtime President Alan Hartline and based in Lake Wales, Florida, the company serves customers in Orlando, Tampa and Lakeland with security monitoring, close-captioned television and access control.

"As a family-run company serving Central Florida for over 40 years, The Hartline Company takes the job of protecting our neighbors and community members seriously," said Hartline, who will continue to run the company with his existing staff. *"Pye-Barker holds those same values of commitment to customer care, and I am confident in their service to our communities through this partnership."*

"Pye-Barker is honored to carry on the legacy of the Hartline family and The Hartline Company's unparalleled reputation for customer service," Proctor said. *"This acquisition strengthens our full-service capabilities in Central Florida and helps us grow our presence in the Southeast and throughout the U.S."*

The purchase of *Shiver Security Systems* took *Pye-Barker* to more than 150 branches in 34 states, along with its first in Ohio. *Shiver* serves clients in the Dayton and Cincinnati regions, including areas of Northern Kentucky, with integrated security solutions, access control, CCTV, intrusion detection, fire detection, and 24/7 monitoring. Founded in 1971 by Rex Shiver, it's currently helmed by his son, Chip.

"I partnered with Pye-Barker because the organization shares similar culture, and will move our legacy forward, care for our current team and continue our growth," Chip Shiver said. *"As I transition toward the next stage of my career, I feel confident with Pye-Barker's guidance."*

"Shiver Security is well-respected in the industry, and we're honored to carry on the work of the Shiver family," Proctor said. *"Shiver Security will play an important role in Pye-Barker's continued expansion in the Midwest and dominance within the U.S. market."*



The SECURITY Advisor

Q&A with Kathy A. Michalko, Chief Security Officer - Wells Fargo & Company



Kathy Michalko serves as chief security officer for San Francisco-based Wells Fargo & Company, leading a team of experienced corporate security professionals working to keep employees, customers and assets safe. Based in Charlotte, she has more than 20 years of security and risk management operations experience.

Before joining Wells Fargo in May 2021, Ms. Michalko worked for the United States Secret Service for more than two decades, most recently serving as special agent in charge of the field offices in both New York City and Rome. She led various divisions throughout her career, including the Office of Protective Operations, Washington Field Office, Office of Professional Responsibility, and the Dignitary Protective Division. As part of her role, Ms. Michalko served on presidential detail in the last two years of the Clinton Administration and the first term of the second Bush Administration, and she planned and executed all aspects of protective operations for the 2008 Democratic National Convention in Denver.

We talked with her about the main risks against which she protects her company and its executives, how she works in tandem with the bank's cybersecurity leaders, how her Secret Service background informs and inspires her work, and the growing ranks of women in the security profession, among other issues. This Q-and-A is edited lightly for length and clarity.

Keith Oringer: *What are the main security risks you manage daily at Wells Fargo?*

Kathy Michalko: My responsibilities are protecting our people, our facilities and our assets from physical threats. Financial institutions face multiple security risks due to the sensitive data that we handle, and the role that we play in the economy. That's everything from (preventing) robberies, to (guarding against) unauthorized access to our facilities, to making sure we keep our people safe while they're working. And then making sure that our physical assets are safe, as well, across the enterprise. It's not just the U.S. We're in more than 30 countries. My team collaborates with others, like on the technology side, within Wells Fargo, making sure that we have effective technology. We're making sure our policies and our procedures, training and compliance are all aligned so we're protecting everyone and our assets. The goal is to always find a multi-layered defense strategy to protect the data and not impede the business that has to go on: it's important to find that balance to keep our security posture stable.

KO: *Has COVID resulted in any lasting changes in security procedures at Wells Fargo?*

KM: Some of the lasting changes include how we approach remote work. And that's required some enhanced security measures to make sure that people could access the systems and view the data that they needed to do their job securely from home. We've had an increase in our business continuity planning, and with the evolving health and safety guidelines, we've reconfigured some of our physical worksite spaces, as well, to facilitate social distancing. In short, I would say that the lessons that we learned have given us a new playbook that we can use to create a safer environment, should we ever face something like that again.



The SECURITY Advisor

Q&A with Kathy A. Michalko, Wells Fargo & Company

continued

KO: *Has the increased use of artificial intelligence in the development of security technology had an impact on the company's security program?*

KM: Artificial intelligence (AI) is everywhere. It's really revolutionizing the way that security measures are designed, implemented and managed. Some of the key impacts of that on our technology includes advanced threat detection, giving us the ability to analyze massively larger amounts of data in real time, to identify patterns or anomalies that may indicate anything from a cyberattack to some other kind of security breach. In the area of analytics, AI gives power to our information and event management systems and can correlate and analyze that data from different sources. That enables us to be more effective in coordinating what threat information we're seeing, and then transitioning our incident response to whatever that landscape looks like. AI helps us in incident response because we can find those threat vectors much quicker, and then initiate our predefined actions to mitigate them. That reduces the manual workload on our teams by allowing us to look at a much smaller, more defined group of vectors, which makes us more nimble in what we do. And so, I'd like to see it play a larger role, especially in shaping our future technology.

KO: *How does Wells Fargo approach collaboration between physical and IT security? Is that all under your roof?*

KM: It is not. We have a separate CISO (Chief Information Security Officer). We're not in the same chain. But, we do collaborate, and the collaboration between the physical side and the information technology side is the key to making sure that we protect the bank. We work with them very routinely, both making sure that the physical aspects of who can come into our buildings, or where they can go, protects the most critical assets. We work with them to make sure that we're doing whatever we can, from a physical perspective, to support them. We're making sure that we have a very coordinated incident response function here on the resiliency side. And so there's not a call that goes on that, that we're not both in, so both sides are heard.



KO: *Do you use in-house guarding or you use contract security?*

KM: We have a combination of the two.

KO: *What attributes do you look in a contract security vendor or provider? What's like the two or three most important things to you?*

KM: The three most important things to me are that they're vetting the people that they're getting for us, and that they're training them to suit our needs, and they're current in all of their certifications.

KO: *When do you find working with security system integrators offers better alternatives than doing that work in-house?*

KM: The choice between those two models depends on various things. And for each organization, it's going to be different: your size, the resources you have, and your expertise, internally. But I do believe there can be advantages working through integrators. Sometimes, there's a certain expertise that the integrator you're working with is more specialized in. It can be harder for a firm to keep up with people, training, and keeping abreast on the latest trends, and being subject-matter experts in specific security systems. So they bring extensive knowledge. They've been in that space, they know their best practices, they know how things interact. And while they don't know your specific business, they do know what their product is good at, and what benefits it brings. Relying on them to bring in that expertise is something that we do here to make sure that we haven't missed something. Because we do operate in an environment that's so different, how can we apply those newest strategies? In some cases, outsourcing may be more cost-effective, rather than keeping the in-house staff and hiring, especially for short-term, specialized projects. It can also lead to quicker implementation and reduce downtime.

The SECURITY Advisor

Q&A with Kathy A. Michalko, Wells Fargo & Company

continued

KO: *What criteria do you use, and where do you, go to find and implement the most advanced security programs for Wells Fargo to manage risk?*

KM: We start with conducting comprehensive risk assessments internally, prioritizing our critical assets, ensuring that the systems we have integrate seamlessly with our existing infrastructure and technology. And then, scalability is a huge piece of that. Future expansion and regulatory compliance are factors that we have to consider to make sure that we're effectively managing risk. I also want to make sure that any programs we implement here can be future-proof. So we're choosing systems with the ability to adapt to future technology investments, because the technology of today will not work for tomorrow, potentially. And we want to make sure that we're giving as long a lifespan as we can for our investment. Prioritization will depend on your specific needs, the risk profile, and your budget.

KO: *What are you doing to effectively communicate and implement company-wide security protocols at Wells Fargo?*

KM: We have a pretty routine cycle of going through our policies, making sure that they're refreshed, they're well-written, that we're spelling out expectations, and roles and responsibilities among the different lines of business. And then making sure that we're providing education, and training, and support to them, and support from us, top-down in the organization. Our leadership's commitment is crucial, and senior leaders here endorse and follow our security protocols. They set such a positive example, and it encourages our people to take it seriously. We use various types of communications, everything from email, to newsletters, to portals, to regular townhall meetings to consistently reinforce the messaging. And we've established a mechanism for employees to provide feedback to us on security protocols. They have identified areas that may need further clarification, or adjustments. So that allows us to ask ourselves, "What else can we do to hone in and drive our message home?"

KO: *How does the company's large geographical footprint affect how you manage the diverse needs for security at Wells Fargo?*

KM: We're always looking at, "What is the risk assessment in that country? What are the potential threats, wherever we are? What vulnerabilities do we have?" We utilize regional teams, in those areas, to be responsible for the security measures. They can address the local threats, the local regulatory requirements that change from country to country, while adhering to our centralized corporate security viewpoints.

What assets might we have there? Do we need to bring in assets? How are we thinking about where they're doing their meetings? How are we thinking about how they're getting there? What assets are we putting in place before they get there to be familiar with where they're going? Your emergency protocols - what would we do if something happened? Those practices are part of what we do here, every day, for our executives, and across the company.

KO: *How have your views about executive protection evolved over the last 10 to 15 years?*

KM: Since I am a former secret service agent, obviously that's something I contemplate often, when I watch the news every night, and in response to the changing threats, technology advancements, and organizational priorities. Some of those include an increase in awareness of cybersecurity as it pertains to our executives here, for example. Protecting them against cyber threats, data breaches, unauthorized access to sensitive information, and online reputation management has become a significant facet of executive protection groups. In addition to all the traditional physical threats from 10 years ago, which remain. Lastly, it's important that we protect their privacy, always trying to find that balance of doing things to protect them. It's a broader understanding as you work through it. Executives need to be able to function, and the things that we're doing to protect them can't interfere with that. But we need to keep them safe.

The SECURITY Advisor

Q&A with Kathy A. Michalko, Wells Fargo & Company

continued

KO: Are you finding that women are becoming more involved in the security industry, whereas traditionally, there have been fewer women working as professionals?

KM: I would say so, and I like to think that I'm somewhat of an example of that. With the Secret Service, we had our first female agents who joined in, like, 1971. Since then, you see the progression in the security field with more women. *Are there still challenges in that regard?* Yes. But more women are getting into higher positions, ascending into roles of leadership both within the law enforcement community and in industry. They're taking on more roles such as the one that I have here, as a chief security officer, or as director of security. And they're in many senior management positions across the industry - and everyone's responsible for security, in some form or fashion, across all the lines of business here. Everyone is always thinking about, "How are we protecting our people, and our assets, and our investments?" So I do think that there is increased representation.

KO: As an accomplished senior security executive with large corporation, what advice would you give to anyone considering a career in security?

KM: It takes time to understand yourself, and how you would fit into those various roles and responsibilities, and the industry as a whole. There are so many facets of it, and the landscape is constantly evolving. So staying updated on the latest trends, and expanding your network wherever you can, is key. If you're a hard worker, and you're paying attention to trends, and attending workshops and webinars, and you do a good job with what you're working on, you'll find your advocates. And staying in touch with those advocates that you find, in your peers or mentors throughout the industry over the years, that's what'll help you, in your career as you go forward.

KO: With all the lessons learned over the course of your career, what's your single best piece of advice for security professionals?



KM: Don't get tunnel vision. Be proactive, holistic, and keep your mind open. There's a broad range of strategies to solve for risk. Finding the right balance and those right attributes to apply to your problem, and thinking about it holistically, I think is key to being successful. I've spent a lot of time in a lot of countries, and so how we, in the U.S., have a certain viewpoint that we approach security from and other countries and other environments, they have different approaches. So just keeping your mind open that there is more than one approach that will solve your problem.

KO: You spent time in Rome, and you were probably able to travel to other countries in Europe, which probably made you more valuable from a CSO perspective.

KM: I'd like to think so. I always worked overseas in different portions of my job at the Secret Service. We travel internationally all the time. But living overseas is different than traveling overseas. And then in my old assignment, (in Rome), we covered 63 countries from there, so when you're problem-solving for investigations, or protection in those environments, you need to do it with the locals. We have no authority, right? I'm not from that country. But you still have a mission to do. You still have a problem to solve. When I say look at it holistically, I ask, "What do they do there?" They have security people, just like we do here. And you have a like mindset. So you talk security to security people, their approaches might be different, but they understand what you say, when you talk about risk. They understand, when you talk about mitigation. Being open to how they might do it, versus how you might do it, here in the U.S., I think is key.

The SECURITY Advisor

Q&A with Kathy A. Michalko, Wells Fargo & Company

continued



KO: How has your approach to security training and awareness changed in recent years?

KM: Training programs need to focus on real-world scenarios and be interactive. That really helps employees understand why they're being asked to take certain measures. You explain to them, and educate them on, "There are reasons that we ask you to do things." We practice getting out of buildings: "Hey, don't hold the door for people. Make sure you're verifying that this is someone who supposed to be in here. Just don't let them in". And you have to make your training real-life, and be practical in context. Doing role playing or walk-throughs of different scenarios, because we all have security plans, and we all have emergency plans. People read them, but then getting them to adopt them and really internalize them, because, as you know, in a security situation, you don't have time to read the book.

KO: I noticed one of the words you use a lot is balance. And, I think you're probably a very balanced person in your outlook in life, not just in security.

KM: In my old world, security was the mission. In private industry, I'm a support entity. I am an enabler for the business to be able to do the things that they want and need to do. I have a very important role to play in keeping them safe and keeping their facility safe while they operate. But this company is not a security business.

KO: You've had a very interesting adventure. And now you're on another adventure.

KM: People ask me, "How did you end up there (at Wells Fargo)?" We worked with bankers all the time in the Secret Service - bank fraud, credit card fraud, all of that. Remember, the Secret Service was responsible for suppressing counterfeit currency - protecting the nation's financial infrastructure is what we were founded to do. Banking seemed like a logical next step.

HEADLINES

Prosegur Unveils January-June Financials

Prosegur also unveiled its financials for the first half of 2023, which showed total sales of more than

\$2.4 billion, up 9.7% year-over-year, with organic growth - the major driver of the company's growth - up 27% and EBITA growth of more than 16%, with significant improvements at the margins.

With nearly half (49%) of total revenue, Latin America grew to about \$1.2 billion in sales, up 6% over the same period last year. Europe reached 39% of overall sales with rapid growth of 14.6%, reaching \$942.7 million. In the rest of the world combined, *Prosegur* saw a 10.2% increase.

The security arm of *Prosegur* grew 9.3% in sales to nearly \$1.2 billion year-over-year, with an organic growth strategy of more than 20%, and positive results in all countries, especially the U.S. and Spain. *Prosegur Alarms* enjoyed sales of \$101.2 million, up 2.5%, with organic growth of 42.2%. *Prosegur Cash* saw 10.9% overall growth and 33% organic growth, reaching nearly \$1.1 billion in sales.



HEADLINES



Pavion Acquires Security Source

Pavion, formerly known as *Corbett Technology Solutions*, has acquired Andover, Massachusetts-based *Security Source*, a provider and servicer of video-based security and loss prevention solutions for businesses with multiple locations.

Pavion's third acquisition in 2023 - along with *Turnkey Technology and Netronix Integration*, added in March - and 14th overall since linking with *Wind Point Partners* in 2020, the addition of *Security Source* brings a firm experienced in installation of nationwide deployment along with ongoing support for large enterprise customers. *Security Source* serves high-growth sectors like financial services, quick-service restaurants, and essential and personal storage.

"We are excited to welcome Security Source and its customers to Pavion," said CEO Joe Oliveri. *"Our ability to serve large global and national accounts with best-in-class customer experience is now even further strengthened by adding Security Source to our business. We look forward to working with the Security Source team to continue its growth, enhance its capabilities, and serve existing and new customers in this important industry segment."*

"Security Source has driven explosive growth while supporting an impressive roster of best in breed customers, each with hundreds to thousands of locations," said Bruce Rogoff, *Security Source* CEO. *"Our customers rely on our expertise for accelerated deployment of advanced video surveillance, video verification and intrusion detection technology across their enterprise. Pavion represents great opportunities for the loyal employees that run our business every day and the customers they'll continue to serve for years to come."*



Securitas Technology

Securitas Launches Securitas Technology Brand



Securitas, which acquired *STANLEY Security* from *Stanley Black & Decker* last summer for a reported \$3.2 billion, has subsequently launched the new *Securitas Technology* brand to provide electronic security services spanning video, access, intrusion, fire, and integrated systems, including design, installation, monitoring, and analytics. In doing so, *Securitas* has expanded its market share in electronic security - the newly launched *Securitas Technology* employs about 13,000 people around the world, including 5,100 field technicians - and reduced its reliance on guarding services.

"We have three distinct advantages as a global provider: our people, technology, and knowledge," said Tony Byler, *Securitas Technology* global president. *"As a fully integrated business focused on security technology, we are well-positioned to unlock even more value for our clients - whether they're local, regional, national or global and have a single site to secure or need a complex and comprehensive multisite enterprise security program."*



Omni Buys Alarm Computer Technology

To expand its market share in the security business and bolster its electronic security offerings for East Coast clients, *OMNI Resource Management* has bought Massachusetts-based security systems contractor *Alarm Computer Technology (ACT)*, a 40-year-old company that provides video surveillance, burglar and fire alarm, and automation systems.

The acquisition follows on the heels of *OMNI's* purchase of *Mainstream Communication Systems*.

"ACT's geographical service area, large commercial client base, and longstanding commitment to quality service aligns very well with our business mode," said Chris Pratt, CEO of *OMNI*. *"We look forward to a seamless integration and the opportunity to support the valued ACT clients."*

"This decision was driven by our goal to always put our clients' interests first," said Helder Lemos, Founder and Owner of *Alarm Computer Technology*. *"Partnering with OMNI will provide our clients with the highest level of service, and I am confident the long-term relationships we have built over the last forty years will remain strong."*

HEADLINES



The iliad Group Purchases Majority Stake in French Cyber Firm ITrust

The *iliad Group*, a three-decade-old firm based in France with more than 16,700 employees, has purchased a majority stake in French cybersecurity specialty company *ITrust*, a 16-year-old company founded by engineers that has more than 400 clients.

The acquisition of *ITrust*, which offers an artificial intelligence-based, fully sovereign, cybersecurity solution certified by France's *National Cybersecurity Agency (ANSSI)*, has furthered the efforts of *Free Pro*, the business-to-business subsidiary of the *iliad Group*, to launch the *Cyber XPR* product, a new cyber protection solution.

"With this acquisition, Free Pro is continuing to develop its service offering for all organizations and public-sector entities," said Thomas Reynaud, Chief Executive Officer of the iliad Group. ITrust will be a real accelerator for the Group in the strategic domain of cybersecurity. With ITrust we share the same entrepreneurial mindset and innovation values."

Jean-Nicolas Piotrowski, Chairman and Founder of ITrust, said he was proud to link with Free Pro. "Our solution - the outcome of 15 years' experience - enables us to detect both known and unknown cyber threats," he said. "Our AI-based threat analysis capabilities combined with the expertise of our cyber analysts, allow us to anticipate attacks and guarantee the security of the infrastructures that we manage."

"Faced with the risks of cyber threats, our role is to help companies and public sector entities adopt comprehensive solutions to effectively protect their network and IT infrastructures," added Denis Planat, Chief Executive Officer of Free Pro. "Our objective is for all of our clients, from the smallest company or public sector entity to the largest organization, to have access to a Free Pro cybersecurity solution best suited to their needs."



Checkpoint Systems Acquires Alert Systems

Checkpoint Systems, a provider of RFID and RF technology solutions, has acquired *Alert Systems*, a Denmark-based Internet-of-things provider that specializes in metal and magnet detection in the retail industry, in the hopes of bolstering its retail loss prevention solutions.

The 24-year-old *Alert Systems* has supplied the retail industry worldwide with tools and techniques to foil criminals' solutions for stealing items from stores, while *Checkpoint* has partnered with *Alert Systems* and distributed its metal and magnet detection products, including software-driven solutions. That partnership has evolved to the acquisition.

"Checkpoint Systems' acquisition of Alert Systems is the logical next step in our shared mission to tackle retail crime," said Troels Falkenberg, CEO of Alert. "With this industry scourge on the rise, it is important that retailers have access to a solid portfolio of solutions to help them effectively manage the issue, and we know Checkpoint Systems is the right organization to facilitate this."

"By providing retailers with more information regarding when and where organized retail crime (ORC) threats are entering a store, our new solutions will help retailers drive down the ever-increasing prevalence of gang-related crime," added Ben Lilienthal, President of Checkpoint Worldwide. "Checkpoint has long been known for its expertise in the retail security space and we are looking forward to providing our retail customers around the world with an even stronger loss prevention offering that will cater to their every retail security need."



Doyle Security Systems Acquires AMS Security Plus

Doyle Security Systems has acquired Albany, New York-based *AMS Security Plus*, adding a ninth branch office for the residential and commercial security, fire and medical monitoring systems provider, which serves more than 40,000 customers in New York and Pennsylvania.

Rochester, New York-based, *Doyle Security's* on-site emergency response center will now monitor all accounts for *AMS*, while *AMS* CEO Don Simpson will continue to work with his customers and the *Doyle* team for at least a year.

"We are very excited to add the AMS Security Plus customers to our Albany family and we are excited to continue our growth throughout western and upstate New York with this merger," said John G. Doyle Jr., President and CEO of Doyle Security, which was founded in 1919.

The SECURITY Advisor

HEADLINES



Mitie Group Purchases R H Irving Industrials

Mitie Group has purchased United Kingdom-based security services provider *R H Irving Industrials* for \$23.85 million, a figure that represents a 7.95x multiple of the company's \$3 million EBITDA for the year ending February 28, 2023.

Headquartered in Newcastle, U.K., *R H Irving Industrials* provides throughout the nation a wide range of physical security services, including the design, installation, and maintenance of electronic systems, cyber protection, perimeter security fencing, gate automation, civil engineering, earthing services, and hostile vehicle mitigation.

Mitie said the acquisition will improve its current capabilities in fire and security systems in business services, while *R H Irving's* earthing capability will complement its business lines in projects and technical services. *Irving* has been expanding its earthing services into several high growth areas such as 5G and electric vehicle charging infrastructure - areas where *Mitie* has been intending to bolster its capabilities.

"R H Irving Industrials is our second security-related acquisition in recent months, reflecting the group's strategy to invest in high growth, high margin companies in the key sectors of security technology, decarbonization, and telecoms," said Jason Towse, Managing Director of *Mitie Business Services*. *"The business both complements and enhances Mitie's existing capabilities and customer base."*

Alert 360 Buys Caliber Security's Home Alarm Accounts

Alert 360, a provider of local security consulting, installation and support for home and business security systems, has bought Southern California-based security alarm accounts from *Caliber Security* and now serves more than 20,000 accounts in that region.

The half-century-old *Alert 360*, which monitors more than 2 million security sensors and has more than 80,000 CCTV camera installations, will now provide security services, system upgrades and technical support, including alarm monitoring, to former *Caliber* customers.

"Expanding our operations is part of our ongoing commitment to providing exceptional security alarm services in communities across California and beyond," said Richard Ginsburg, CEO of *Alert 360 and ACS Security*. *"Our team is well-positioned for continued, strategic growth in all of our service areas."*

"We worked closely with the Caliber Security team through the acquisition and integration and are thrilled to welcome Caliber's Founder and Owner, Jason Graham, to our team," added Anastasia Bottos, *Alert 360* President and Chief Operating Officer.



SECOM Makes Equity Investments of \$192M in Two Cloud Security Firms

Security integrator *SECOM* has made primary equity investments of \$100 million in cloud video surveillance company *Eagle Eye Networks* and another \$92 million in cloud-based access control technology provider *Brivo*. Both firms are majority owned by Dean Drako, who founded *Eagle Eye* and serves as CEO, while acquiring a majority stake in *Brivo*, where he is chairman.

Eagle Eye Networks will leverage the infusion to continue developing AI-based analytics in areas like video search, alarms and vehicle intelligence, while expanding its global operations. *Brivo* will boost sales and marketing, accelerate product development, scale both support and operational functional, evaluate strategic acquisitions, enhance AI functionality, and expand in Europe, Latin America and the Asia-Pacific region.

Both companies' platforms integrate with those of third-party technology providers, including property management and property technology, and combined they offer an integrated solution to manage risk, identify and respond to threats, and deliver real-time, AI-enhanced video and access control events analysis.

"The SECOM investment underscores that Cloud and AI are the future of physical security," Drako said. *"Both Eagle Eye and Brivo will use a significant portion of the investment to further develop AI that dramatically improves the security of enterprises and businesses globally."*



The SECURITY Advisor

HEADLINES



Altus Fire and Life Safety Purchased Priority Fire and Security

Altus Fire and Life Safety, a full-service, more than 100-year-old company owned by *AE Industrial Partners*, has purchased Clinton, Massachusetts-based *Priority Fire and Security Inc.*, which designs, installs, monitors, maintains and repairs fire and security systems.

Steve Prior, Founder and President of *Priority*, will continue in an active role at the decade-old company, which in addition to fire detection, protection and mitigation systems offers such products as CCTV, commercial and residential security, and access control.

"We're excited to partner with Altus and AEI, who have the deep industry experience and relationships to help us build greater value in our business going forward," Prior said. *"Priority Fire remains committed to the safety and security of our customers, and we look forward to working with the entire Altus team to continue delivering the products and services they demand."*

"The addition of Priority Fire brings strategic advantages in both aligning with our focus on Honeywell engineered systems and expanding our service capabilities in the Northeast," said John Adams, *Altus* CEO. *"We're pleased to welcome Steve and the outstanding Priority Fire team."*

Bosch Acquires Paladin Technologies

German industrial group *Robert Bosch GmbH* has purchased Canadian security and life-safety services provider *Paladin Technologies* in an effort to expand its building technologies and system integration business in North America. The deal, terms for which were not disclosed, enables Bosch to enter the Canadian market and deepen its presence in the U.S.

The acquisition of *Paladin* - expected to have \$400 million in sales this year, with more than 1,500 associates and 35 offices - complements its purchase of U.S. energy efficiency, building automation and security services provider *Climatec* in 2015, said Christian Fischer, deputy chair of *Bosch's* board of management responsible for the energy, building technology and consumer goods sectors.

"Energy efficiency and security needs are driving factors for the modernization of commercial buildings, particularly in the North American market," Fischer said. *"These long-term trends have contributed to the growth of Climatec, which has significantly increased its sales and workforce since we acquired them in 2015. We want to continue Bosch's success in the delivery of these vital services in the region, and helping make buildings greener, smarter, and safer."*



St. Moritz Purchases AgTac Services' Security Division

Pittsburgh-based *St. Moritz Security Services, Inc.*, has purchased the security division assets of Lincoln, Nebraska-based *AgTac Services LLC*, in a deal by *Security ProAdvisors*. *AgTac's* janitorial business offerings will continue, separate from the deal.

The acquisition bolsters *St. Moritz's* standing among the top 10 in the U.S. in terms of size, with combined annual revenues of about \$250 million, while boosting the firm's national footprint to more than 40 states and leading to a new vertical market.

"Our management approach and culture align very well," said *St. Moritz* CEO Matthew Schwartz. *"We look forward to continuing our journey of building a customer-focused, world-class security firm with the unique experience that AgTac brings."*

The current security officers and customers of *AgTac* will gain significant added value through *St. Moritz's* support, training, benefits and technology, while the leadership team of *St. Moritz* has been strengthened thanks to the deal, and the firm also absorbs the regional operations team of *AgTac*.

"St. Moritz adds a wealth of support coupled with an appreciation of the use of technology and its application going forward," said Mike Weatherl, Founder and President of *AgTac*. *"Having deep and lasting personal and professional relationships with several members of the St. Moritz executive team, I am confident this transaction will be rewarding for all parties."*



BOSCH



The SECURITY Advisor

HEADLINES



Securitas Discloses January-June Financials

Securitas released its financials for the first half of 2023, which showed total sales of nearly \$7.4 billion, organic sales growth of 11%, operating income before amortization of \$457.1 million, and an operating margin of 6.2%. In addition, for the January to June time frame, **Securitas** showed earnings per share before and after dilution of \$353,000 (or \$428,000 before IAC), reported net debt/EBITDA of 3.7, and cash flow from operating activities of 29%.

President and CEO Magnus Ahlqvist said organic sales continue to be driven primarily by price increases, although the company continues to enjoy healthy volume growth within technology and solutions, and in airport security. The **STANLEY Security** acquisition has contributed to operating margin improvement, along with strong growth and margin development in technology and solutions.

*"Our integration and value creation processes with **STANLEY Security** are progressing according to plan," Ahlqvist said. "We have realized substantial cost benefits in our technology business primarily in North America, and expect further benefits over the coming quarters. We see significant client interest in our strengthened offering and have material commercial synergy opportunities in our sales pipeline."*

COMMENTARY

Time Magazine Series Prompts Industry Reflection and Response

The **Time** magazine three-part series about the private security industry by Alana Samuels, titled, "*Insecure*", published earlier this year, is not the first such investigative report on industry deficiencies in hiring, training, and supervision. But, like other reports, it fails to point to the overwhelmingly positive impact the industry achieves, every day, in numerous settings and situations.

The private security industry plays a vital world-wide role in response to significant and increased demand for services to combat increases in crime. There are thousands of companies operating under varying standards, both within their own structures and across geographic areas under regulations that are not uniform. With such size and with the critical role to protect assets, incidents have and will occur. No industry is immune from shortcomings but on balance the security industry continues to play a positive and significant role in protecting the customers and communities it serves.

Additional self-imposed and statutory regulation will serve to further professionalize the industry. Professor Robert D. McCrie, *John Jay College of Criminal Justice*, points out that while industry regulation has increased, there remains work to be done.

TIME

At some security companies, a lack of internal discipline and a competitive need to cut costs prompted by consumers' drive to reduce cost, has resulted in deficient officer wages, and shortcuts in screening, training, and supervision. The result is bad outcomes.

Market forces will weed out substandard operators and the most professionally run companies will prosper. It is the duty and in the self-interest of security ownership and management to operate in an ethical manner to better protect human and physical assets. Operating under high standards in screening, training and supervision of line officers, and a recognition by consumers of the need for well-paid officers will upgrade the industry and result in better service and outcomes.

The extraordinary efforts and work of the millions of security officers and managers must be acknowledged, and security companies must be compensated properly for the risks they take and for the vital role they serve.