

CORPORATE BUYOUT AT CONNECTIVE HOME

By L. Samuel Pfeifle, editor

BROOKHAVEN, Pa.—Residing in the building that once housed Tri-State Alarm, Connective Home has grown into a residential installation company that works in security, A/V, HVAC and home networking throughout eastern Pennsylvania, New Jersey, and Delaware. After four years under Tri-State founder Ken Gross, and another three under ownership by outside investors, the company is now owned by chief executive officer Barbara Polsky, husband and vice president Allen Polsky, and president Ronnie Adams.

The deal became final March 23, but terms were not released.

“Ronnie and I said, ‘Since we’ve been running the company so long, we might as well own it,’” said Allen Polsky. “So we sold everything we could sell, and hocked everything we could hock, and now we’re the proud owners of Connective Home LLC.”

Polsky said the company does some small commercial work, “but that’s not our forté.” He said Connective Home will continue working with builders and “we want to get into more retrofitting, get more into home automation.” He called his set up with builders “unique,” as Connective meets directly with the home buyers beforehand and creates the demand for its products. For instance, he said, home automation “has been so complicated in the past, sales people didn’t want to sell it. But with the new products, such as those put out by GE, we’re saying, ‘Hey, we can do this. We can create the demand here.’” With an average house price of \$500,000 for the homes Connective is working in, Polsky believes high-end products will be an increasingly easy sell as end users see new technology advertised and want to “have a certain type of lifestyle.”

As the company grows, Polsky sees geographic expansion as a possibility—Adams is an advocate—but he says there remains room for growth in the Tri-State area. **SSN**

Lighting the lawn

Solar solution allows for illuminated signs

By Martha Entwistle, managing editor

CARLSBAD, Calif.—Lance Dean said he was on vacation last year when the idea came to him for illuminated security lawn signs. One year later, 400,000 units of LiteWatch have been sold and “there are a lot more on order now,” said Dean.

“It came to me that it’s kind of crazy to spend a lot of money to protect your house, but you can’t see the lawn sign at night, when ‘deterrent’ is the name of the game,” he said.

Dean is the owner of Fallon Products. He’s been in the industry for many years, most recently having worked for Honeywell for 10 years. After he thought of the



Lance Dean

idea, he made a few samples of an LED light—powered by solar rechargeable batteries—that would fit on a yard sign stake.

“I showed it around [to some security companies] and one company even wanted an exclusive on it,” he said.

Dean decided to sell all the intellectual property rights to Advanced Bridging Technologies and the product was launched in April of this year. Kevin Slatnik, president of ABT, said his company specializes in wireless devices primarily for the consumer electronic marketplace as well as wireless security and lighting devices (search “Unlocker” at www.securitysystemsnews.com).

Slatnik knew Dean, and when shown the product, “we were very impressed with what we believed was the market potential for it,” he said. “It seems to fill a unique niche and have broad appeal.”

“We’ve had a great response,”

Slatnik said. “I think we’ve had interest from all the major players in the industry.” Indeed, the product web site www.Litewatch.com, features signs for several major security companies.

Dean said one of the reasons security companies like LiteWatch “is because they get the advertising at night... it’s like a billboard,” he said.

Mike Shirley, regional general manager for Interface Security, a super-regional security company, said it’s his sales people who are really excited about it.

“We’re using it as a re-sign bonus for customers who have finished their contract... and as a promotional piece to encourage people to sign up for automatic checking,” Shirley, who runs the Texas division of Interface, said he tested the product in his division and now the company is rolling it out across the country.

“I think in years to come, it will be as common as a yard sign,” he said.

Dean is still involved in the sales of the product and says he’s working on “more cool ideas.” **SSN**



BRIEFS

Brink’s calls it splits in Seattle

IRVING, Texas – Brink’s Home Security said it was “booming sales growth” that led the company to expand its reach in the Seattle-Tacoma area. Brink’s added a local office and relocated another to provide better coverage for customers.

“With the two offices, we can cover additional zip codes both north and south of the city,” Brink’s Northwest regional director Jeff Hunt, said in a statement. The two offices will serve 35,000 current subscribers and future customers throughout the Puget Sound area.

Stop Alarms goes dealer

MEMPHIS, Tenn.—Stop Alarms Inc. has been in business for 37 years and has never felt the need to join a dealer program.

Until now. Trae Carney, Stop Alarms president, said rapidly changing technology offers opportunities for his company to grow on the residential and commercial side, but to do that requires training for his employees. “Training used to be more of an option, now it’s a necessity.” He was also interested in having a “uniform product platform.”

Carney became a Honeywell First Alert Professional dealer in June. Stop Alarms has 32 employees, 4,400 accounts and does \$3.6 million in business annually.

ADT introduces Safewatch Videoview

ADT on July 11 announced a home surveillance service called Safewatch Videoview, a new offering that builds on ADT’s standard home alarm and security services. It offers homeowners added security plus the flexibility to check in on their household even when they are away from home.

With an Internet connection, the system provides customers with email notifications of triggered events and the ability to look in on their homes at any time. Installed by ADT professionals, cameras are hardwired to ensure maximum privacy and image quality.

Ackerman reenters acquisition market

By Martha Entwistle, managing editor

ATLANTA—Making its first acquisition in 10 years, Ackerman Security announced July 11 it had acquired Impact Security of neighboring Dallas, Ga. Terms of the deal were not released.

This move signals a change in Ackerman’s approach to growth said Jim Callahan, vice president of sales.

“We do have additional acquisition candidates and we are actively seeking more,” he said.

Why the change? Callahan said that following a leveraged buyout of Ackerman, the company “now has capital available that it didn’t have before.” The buyout

occurred three years ago and involved the five current principals



Jim Callahan, left, and Mark Floyd. Floyd has joined Ackerman Security following the July acquisition of his company by Ackerman.

of Ackerman: Callahan; Bruce Turry, chief executive officer and president; Jeff Cohen, chief finan-

cial officer; Bill Rawlings, director of operations; and, Mike Sandes, director of commercial sales.

At the time of the buyout, the business plan called for doubling the account base within five years (by 2009), Callahan said. In 2004, Ackerman had 28,000 accounts and today it has north of 40,000 accounts.

“We are well on the way to doubling our account base. We expect to be at about 56,000 accounts by the end of 2009,” Callahan said.

Impact Systems brought with it 700 accounts. Impact was a good fit for Ackerman because “they were operating in the same space.”

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MURDOCH ACQUIRES FORTRESS

By Martha Entwistle, managing editor

NEW YORK, N.Y.—Guard company Murdoch Security Group on June 25 announced the acquisition of Florida guard company Fortress Protective Services, the third East Coast guard company acquired by Murdoch since it was founded in 2004.

Full terms of the deal were not released. However, Murdoch president Bill Vassell emphasized that the owners of Fortress Protective Services retained some ownership in the company and will continue to run the company under the Fortress brand.

“We allow the entrepreneurs to hold back stock in the transaction, so they retain some ownership,” Vassell said. This is the business model used by Vassell when he acquired two other guard companies—commercial guard company Randolph Security of New Jersey and residential guard company New World of

Boston.

Vassell said he plans to “do that across the country,” and that he has “four or five other companies in the pipeline that represent acquisition revenue in excess of \$50 million.”

Vassell’s strategy is to “create a national company of owners that will all participate in a public offering,” he said. He noted that this is something he’s done before, having founded guard company Command Security in 1980 and taken it public in 1990, at which time it “had more than \$100 million in revenue.” Vassell sold that company in 2004.

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Bill Vassell

VoIP or cell in the apt.? No prob for Network Multifamily

IRVING, Texas—Network Multifamily Security Corporation in late June introduced the “Multifamily 360 EZ,” a product that will enable existing Multifamily alarm systems to be upgraded to work in apartments that do not have a land-line telephone.

Network Multifamily is a division of Protection One that focuses on apartment dwellings. It has 300,000 customers across the country.

The new product is intended to address the trend toward cell-phone-only or VoIP-only house-

holds. This new product comes one year after Network Multifamily introduced the Multifamily 360 (search “Pro One division, GE debut wireless” at www.securitysystemsnews.com), a similar product for new customers that works with all telephone platforms. This

product will continue to be used for new customers, while the EZ model is specifically for existing customers.

Mandy Vallowe, senior vice president at Network said in a statement. “[It] can be quickly retrofitted to most of the Network’s

existing alarm systems, allowing us to monitor those systems regardless of whether or not a landline is present . . . It gives our property owners confidence that the new telecom systems won’t conflict with their alarm system now or in the future.” **SSN**

Everfocus

Murdoch looks for guard firms

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Fortress Security, the recent acquisition, has 150 employees, is based in Coral Gables, Fla., and specializes in high-end residential business in South Florida. “Murdoch will handle the back-office billing and payroll and we can focus on growing the company,” said Joel Leffler, Fortress president.

Vassell said his business model is unique in the guarding industry where acquisitions are typically folded in and employees and owners, if they are retained, at all are told, “You work for us now and you better work hard.” That business model usually results in the “loss of 30 to 40 percent of business,” he said, but by allowing company owners to maintain their identity and some ownership, “we’ve lost virtually no business.”

Vassell said that he’s looking at companies on the West Coast and in D.C., with an eye toward national clients who will want to use Murdoch guard companies in several cities across the country. **SSN**

Ackerman

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“We’re not a mass marketer, we’re a custom shop and their client base was similar,” Callahan explained. “We also use the same Ademco products, which makes it simple from a service perspective.”

Dallas is a suburb of Atlanta, and this acquisition is within Ackerman’s footprint, which encompasses Atlanta and North Georgia.

Impact had its own central station, which has been shuttered; all of their accounts have been moved to Ackerman’s UL-listed central station. “We switch out those yard signs and we’ve got a much larger presence in the Cobb County area overnight,” Callahan said.

Mark Floyd, president of Impact Systems, has joined Ackerman as a senior security consultant. **SSN**