

# SDM

NEW DIRECTIONS IN SECURITY

# 100

## Charged up

Cloud-based services and central station-monitored security and lifestyle solutions surged the SDM 100 RMR forward. How much? Turn to page 47.

**FIRE**  
Fourth in the exclusive series.  
**State of the Market:  
Fire Protection**  
Begins on page 70.



THE HIGHEST  
RESOLUTION  
960H **DVR**



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ON PAGE 7.

speco technologies

# SDM

## Power Surge

The metamorphosis of the security industry into a services-based business capable of serving many sectors has taken hold, evidenced by the largest security providers — the 2013 SDM 100.

By Laura E. Stepanek, Editor

Many security providers seemed to have harnessed lightning last year, using it to successfully power their sales and deliver stronger security solutions to their customers. The effect was a significant surge in recurring monthly revenue (RMR) among the SDM 100 — a ranking of the largest U.S.-based security companies by their RMR.

SDM 100 companies' RMR collectively improved 16 percent in 2012. Part of the increase is due to the first-time ranking on the SDM 100 of several large systems integrators with RMR. They include Tyco Integrated Security (\$70.8 M, estimated by *SDM*); Diebold Security (\$12.7 M); G4S Technology (\$1.5 M); RFI Communications & Security Systems (\$536,765); and Johnson Controls Inc. (\$335,417).

Collectively, RMR grew from \$552.3 million to \$642 million among the SDM 100. The dealers and integrators also performed very well individually — 93 of 100 companies recorded an increase.

Most impressively, approximately four in 10 companies had double-digit RMR growth. Looking just at the 15 companies ranked, those with double-digit RMR increases are Stanley Convergent Security (51.6 percent), Vivint Inc. (26.5 percent), Monitronics

### RMR Skyrockets 16 Percent, in Part Due to Newly Ranked Companies

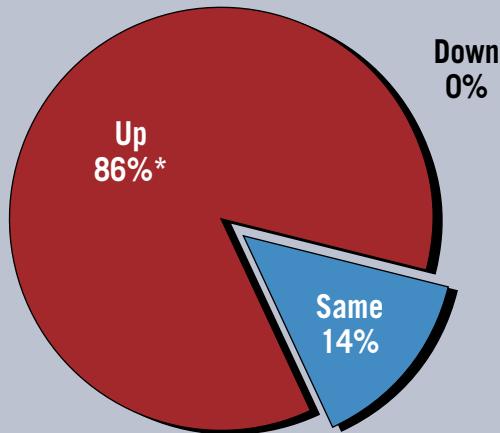


Recurring monthly revenue (RMR), a prime revenue stream for SDM 100 companies, surged up 16 percent in 2012. Contributing to the increase is the fact that several large "systems integrators" are ranked for the first time, including Tyco Integrated Security, Diebold Security, G4S Technology, RFI Communications & Security Systems, and Johnson Controls. In addition, many SDM 100 companies had double-digit RMR growth in 2012, and only five companies' RMR declined.

Source: 2013 SDM 100, *SDM Magazine*, May 2013



## Positive Forecast of 2013 Revenue

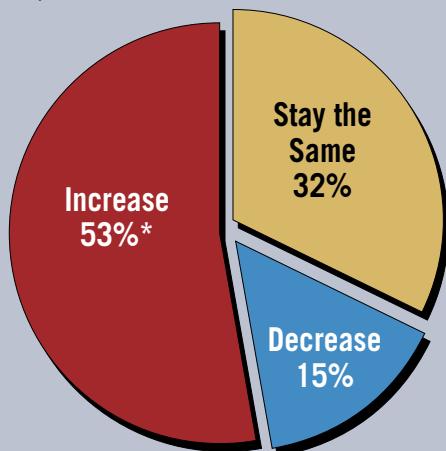


\*percentage of SDM 100 companies, based on 96 responses  
Source: 2013 SDM 100, SDM Magazine, May 2013

*This time last year, 83 percent of SDM 100 companies predicted that their total annual revenue would improve in 2012 compared with 2011. They predicted correctly: 79 percent of companies for which revenue could be compared year-over-year experienced an actual increase in total gross revenue in 2012. Even more companies expect improvement in 2013.*

## SDM 100 Profit Margins

SDM 100 companies were asked, “Did your company’s net profit margin increase, decrease or stay about the same in 2012 compared with 2011?”



\*percentage of SDM 100 companies, based on 94 responses  
Source: 2013 SDM 100, SDM Magazine, May 2013

*More than half of SDM 100 companies reported they increased their net profit margins in 2012, and among those that did, the average rate of increase was 35 percent. For the 15 percent of companies that reported a net profit decrease, the average rate of decrease was just 14 percent.*

(22.1 percent), Guardian Protection Services (11.9 percent), ASG Security (12.4 percent), Interface Security Systems Holdings Inc. (34.6 percent), Security Networks (42.4 percent), and Protect America (14.8 percent).

Sales volume increased only slightly by comparison among the SDM 100. Contracted services and retrofits led the way to RMR growth — offerings such as remote, interactive services (using a mobile device to control and interact with a security system); home automation features/services; central-station-managed access control; and cloud-based or monitored video surveillance.

“The markets we operate in were strong in 2012 and our best segments were remote services for security systems and hosted solutions for video and access,” concurs ADS Security L.P., No. 26 on the SDM 100. (See rankings beginning on page 49.)

“The market was stronger in 2012 than in 2011, especially in the adoption of home automation,” states Vivint Inc., ranked No. 4 on the SDM 100. “Seventy-one percent of our customers’ homes are home-automation enabled, and 53 percent of customers in 2012 adopted at least one home automation feature.”

All of these RMR-based services had a positive effect in the financial community: a sustained wave of investment in the alarm industry. (See related article, “The Financial Community Assesses Change in the SDM 100,” on page 52.)

This new wave of services not only helped dealers build a base of higher RMR per customer; it also drew a substantial number of new customers. The SDM 100 grew its subscriber base from 13.3 million subscribers to 18.4 million subscribers.

SDM 100 companies earn their revenues from the sale, installation, service, hosting and monitoring of electronic security systems, such as intrusion and fire alarm, access control, video surveillance, and related low-voltage systems. Now in its 23rd year of publication, the SDM 100 Report continues to prove that security is a significant concern of both homeowners and business leaders.

Business was not without its challenges and not all of the segments performed as well as others. The large-commercial-projects market still suffers from a lack of capital spending, according to some of the dealers.

“2012 was another challenging year for the larger commercial integrated systems business. It wasn’t worse than 2011, but about the same. There are still fewer projects, less funding and great pressure on margins,” reports No. 11-ranked ASG Security. “However, the low and mid markets performed very well for us again — specifically, a continued great resurgence in residential sales with excitement around our enhanced service platform. Small business was also a continued strong growth segment for the company, led by enhanced intrusion sales and cloud-based video services.”

Security Networks, ranked No. 14 on the SDM 100, also found the residential market to be strong for its Affiliate Funding Program.

Not all of the dealers found the large-commercial market to be flat and some even had opportunities in sectors such as new construction.

RANK 2013	RANK 2012	COMPANY	RECURRING MONTHLY REVENUE, DEC. 31, 2012	RMR COMPARED WITH DEC. 31, 2011	SUBSCRIBERS	SALES REVENUE, RES. INSTALLS	SALES REVENUE, NON-RES. INSTALLS	GROSS REVENUE 2012 (\$ MIL)	FULL TIME EMPLOYEES	NO. OF LOCATIONS
1	1	<b>ADT</b> Boca Raton, Fla.	\$252,455,574	5.2% ↑	6,428,266	na	na	\$3,286,949,035	16,300	200
2		<b>Tyco Integrated Security</b> Boca Raton, Fla.	\$70,830,000e	na	500,000e	na	na	\$8,300,000,000e	10,000e	na
3	2	<b>Stanley Convergent Security</b> Indianapolis, Ind.	\$54,200,000	51.6% ↑	550,000	na	na	\$1,644,300,000	8,375	100
4	3	<b>Vivint Inc.</b> Provo, Utah	\$34,276,032	26.5% ↑	671,818	na	na	\$398,596,583	1,820	3
5	5	<b>Monitronics International</b> Dallas, Texas	\$32,095,753	22.1% ↑	812,539	na	na	\$349,953,000	760	1
6	4	<b>Protection 1</b> Romeoville, Ill.	\$26,200,000	4.0% ↑	1,535,654	na	na	\$375,800,000	2,538	74
7	6	<b>Slomins Inc.</b> Hicksville, N.Y.	\$15,715,129	7.0% ↑	293,773	\$38,214,692	\$34,095,052	\$291,366,811	642	6
8		<b>Diebold Security</b> North Canton, Ohio	\$12,700,000	na	200,000	na	\$395,000,000	\$2,991,700,000	na	110
9	7	<b>Vector Security Inc.</b> Pittsburgh, Pa.	\$11,100,000	8.8% ↑	268,331	\$11,995,000	\$73,533,000	\$233,855,000	1,106	38
10	8	<b>Guardian Protection Services</b> Warrendale, Pa.	\$10,186,641	11.9% ↑	264,310	\$28,965,171	\$8,821,132	\$150,096,745	858	13

e = SDM estimate

No. 1 – Became a public company trading under the symbol ADT on the New York Stock Exchange. ■ No. 2 – First-time ranking on the SDM 100 as Tyco Integrated Security since splitting from ADT in fall 2012. All figures are SDM estimates. ■ No. 3 – SDM’s 2009 Dealer of the Year. ■ No. 4 – Acquired by The Blackstone Group in November 2012 for more than \$2 billion. SDM’s 2011 Dealer of the Year. ■ No. 6 – Most significant accomplishment in 2012 was to attain the highest level of national account growth the company has seen to date. SDM 2012 Dealer of the Year. ■ No. 7 – Developed in-house managed cloud-based services. ■ No. 8 – First-time ranking on the SDM 100. ■ No. 9 – SDM’s 2003 Dealer of the Year. ■ No. 10 – Embarked on a campaign to upgrade customers to home automation services. ■ No. 11 – Benefiting from increased market penetration and greater sales force adoption across all markets with the ASG Connect brand, an enhanced interactive service platform for intrusion systems. Also launched ASG Video, a new hosted video service, in 2012. SDM’s 2008 Dealer of the Year.

## Key to Using the SDM 100

The 2013 SDM 100 ranks U.S. companies that provide electronic security systems and services to both residential and non-residential customers. This ranking is based on information provided to or, in few cases, estimated by SDM. Ranked companies were asked to submit either an audited or reviewed financial statement, or a copy of their income tax return showing total gross receipts for the stated period. The vast majority of the firms ranked are privately held.

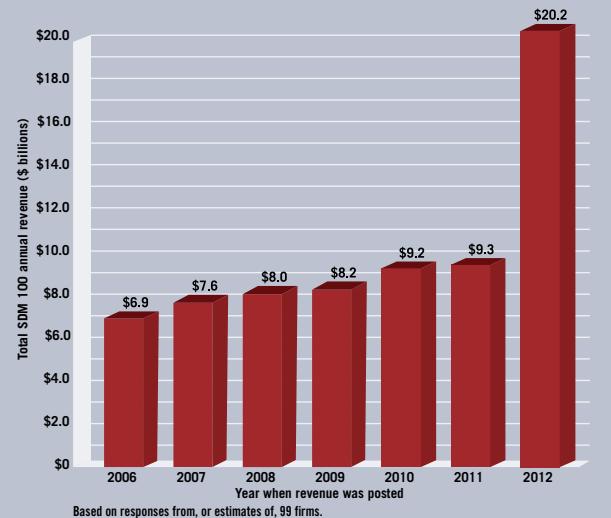
The main table, which begins on this page, ranks 100 companies by their recurring monthly revenue (RMR) as of December 31, 2012. The company with the highest RMR is ranked as No. 1, and so on. For each of the 100 companies, the following information is provided, from left to right:

- Current year rank, which is based on December 31, 2012, RMR.
- Prior year rank.
- Company name, as used in the marketplace, and headquarters location.
- Amount of RMR billed on December 31, 2012.
- Percentage of RMR increase/decrease from December 31, 2011.
- Number of subscribers (recurring-billable customers) at year-end 2012.
- Amount of sales revenue from residential installations in 2012.
- Amount of sales revenue from non-residential system installations in 2012.
- Total gross revenue in millions of dollars. This number represents total revenue in calendar-year or (the company’s) fiscal-year 2012 from sales/installation, service, leasing, and monitoring.
- Number of full-time employees.
- Number of business locations, including headquarters.

Note: An e following the figure indicates it is an SDM estimate.

To find a company by name, use the alphabetical index on page 68.

## Total Annual Revenue: \$20 Billion



Source: 2013 SDM 100, SDM Magazine, May 2012

Total annual revenue for the SDM 100 companies was \$20.2 billion in 2012, an increase of 117 percent over 2011. However, the increase is mostly attributable to the addition of Tyco Integrated Security (estimated by SDM), Diebold Security, G4S Technology, RFI Communications & Security Systems, and Johnson Controls to the SDM 100 ranks. Among those companies for which total gross revenue could be compared between 2012 and 2011, 79 percent experienced an increase.



RANK 2013	RANK 2012	COMPANY	RECURRING MONTHLY REVENUE, DEC. 31, 2012	RMR COMPARED WITH DEC. 31, 2011	SUBSCRIBERS	SALES REVENUE, RES. INSTALLS	SALES REVENUE, NON-RES. INSTALLS	GROSS REVENUE 2012 (\$ MIL)	FULL TIME EMPLOYEES	NO. OF LOCATIONS
11	9	<b>ASG Security</b> Beltsville, Md.	\$7,900,095	12.4% ↑	187,021	\$3,874,000	\$26,679,000	\$118,647,000	922	18
12	11	<b>Interface Security Systems Holdings Inc.</b> Earth City, Mo.	\$7,814,849	34.6% ↑	106,522	\$1,500,000	\$20,140,000	\$112,768,000	826	22
13	10	<b>Bay Alarm Company</b> Pacheco, Calif.	\$7,244,745	8.4% ↑	118,917	\$4,122,496	\$10,578,116	\$103,065,201	599	15
14	12	<b>Security Networks</b> West Palm Beach, Fla.	\$7,168,895	42.4% ↑	172,339	na	na	\$78,490,055	301	2
15	13	<b>Protect America Inc.</b> Austin, Texas	\$5,252,900	14.8% ↑	142,736	\$1,588,300	na	\$59,915,000	339	1
16	16	<b>Security Systems Inc.</b> Cromwell, Conn.	\$5,224,716	23.3% ↑	138,788	\$839,500	\$209,765	\$53,756,200	180	3
17	14	<b>Central Security Group Inc.</b> Tulsa, Okla.	\$5,223,059	14.9% ↑	165,841	\$335,833	\$37,314	\$60,344,697	296	6
18	15	<b>Guardian Alarm Company</b> Southfield, Mich.	\$4,625,900	9.1% ↑	119,535	na	na	\$79,173,635	429	9

No. 12 – Acquired and successfully integrated Westec Intelligent Video Surveillance into operations. ■ No. 14 – Sustained continuous growth of more than 30 percent each year, with a growth in gross revenue of 48 percent from 2011 to 2012. The company also increased its staff by 27 percent. ■ No. 15 – 25 percent increase in new customer additions over 2011. ■ No. 16 – 23 percent growth and some fold-in acquisitions.

## SDM 100: Group Growth Impresses

	2012	2011	2010	2009
<b>Total recurring monthly revenue</b>	\$641.9 mil*	\$552.3 mil	\$510.7 mil	\$465.8 mil
<b>Total subscribers</b>	18.4 mil†	13.3 mil	12.2 mil	12.6 mil
<b>Total annual revenue</b>	\$20.2 bil**	\$9.3 bil	\$9.2 bil	\$8.2 bil
<b>Total residential sales revenue</b>	\$171.9 mil††	\$170.1 mil	\$146.6 mil	\$157.4 mil
<b>Total non-residential sales revenue</b>	\$947.2 mil††	\$852.47 mil	\$1.83 bil	\$2.31 bil
<b>Business locations operated</b>	992	995	1,044	996
<b>Full time employees</b>	55,950***	53,219	56,259	53,086
<b>Part time employees</b>	1,950	1,037	512	618
<b>Acquisitions</b>	87	60	73	50
<b>Accounts gained</b>	79,269	34,242	49,178	42,738

Source: 2012 SDM 100, SDM Magazine, May 2012

The table, above, presents aggregate figures for the SDM 100 group of companies, which are ranked by their recurring monthly revenue — an industry standard of valuation of a security installation and monitoring business. Most of the SDM 100 companies are privately held. Submitting recurring monthly revenue (RMR) is required for ranking; other figures are not required but mostly provided. Most companies — but not all — also reported their total annual revenue, number of subscribers, and installation revenues. Therefore, one should exercise caution in using this information to extrapolate industry totals or to benchmark. Beginning in 2011, “systems integrator” companies that collect RMR were allowed to be ranked on the SDM 100. This year, several new integrators are ranked for the first time, including Tyco Integrated Security, Diebold Security, G4S Technology, RFI Communications & Security Systems, and Johnson Controls. The inclusion of these companies, as well as solid growth among other dealers, are the main reasons for the big boost in both RMR and total revenue growth.

\* Total monthly recurring revenue, based on RMR of Dec. 31, 2012. Based on responses from 100 companies.

† Based on responses from or estimates of 91 companies. Not included: Habitec Security; Kastle Systems; Koorsen Fire & Security; Mijac Alarm; Safeguard Security; Scarsdale Security Systems Inc.; SDT Inc.; Sonitrol Tri-County; SSD Alarm Systems / Kern Security & Fire / Alpha Security & Fire

\*\* Total annual (2012) revenue from electronic security system sales, installation, service, leasing, monitoring, and sales of subscriber accounts, as reported to or estimated by SDM. Based on responses from 99 companies. Not included: SAFE Security Companies

†† Based on responses from or estimates of 73 companies. Note: Some firms either did not choose to report this figure or did not have sales/installation revenue to report in one of the categories.

Not included in Residential Sales Revenue are: A-Com Protection Services Inc.; ADT; Alarm Capital Alliance; ARK Systems Inc.; Briscoe Protective Systems Inc.; Diebold Security; Devon Security; DTT; Electric Guard Dog; Fire Protection Inc.; G4S Technology LLC; Guardian Alarm Co.; Johnson Controls Inc.; Kastle Systems; Mijac Alarm; Monitronics Int'l; Protection 1; Redwire / Sonitrol of Tallahassee, Bay, NW FL, EC FL; RLC Security Inc.; Safeguard Security; SafeTouch; Scarsdale Security Systems Inc.; SDT Inc.; Security Networks; Security Systems of America; Select Security; Sonitrol of Indianapolis; Sonitrol Tri-County; SSD Alarm Systems / Kern Security & Fire / Alpha Security & Fire; Stanley Convergent Security; Tyco Integrated Security; Vivint Inc.

Not included in Non-residential Sales Revenue are: A-Com Protection Services Inc.; ADT; Alarm Capital Alliance; Devon Security; DTT; Electric Guard Dog; Fire Protection Inc.; Guardian Alarm Co.; Johnson Controls Inc.; Kastle Systems; Mijac Alarm; Monitronics Int'l; NorthStar Alarm Services LLC; Protect America Inc.; Protection 1; Redwire / Sonitrol of Tallahassee, Bay, NW FL, EC FL; RLC Security Inc.; Safeguard Security; SafeTouch; Scarsdale Security Systems Inc.; Security Networks; Select Security; Sonitrol Tri-County; SSD Alarm Systems / Kern Security & Fire / Alpha Security & Fire; Stanley Convergent Security; Tyco Integrated Security; Vivint Inc.

\*\*\* Based on responses from or estimates of 94 companies.

Not included: Crime Prevention Security Systems LLC; Diebold Security; Kastle Systems; Koorsen Fire & Security; Safeguard Security; SSD Alarm Systems / Kern Security & Fire / Alpha Security & Fire

## The Financial Community Assesses Change in the SDM 100

In recent years, we have been witnessing a paradigm shift in the top tier of alarm monitoring companies due to the convergence of several key market dynamics. Access to both public and private equity and relatively inexpensive debt capital has spurred a sustained wave of investment in the alarm industry and corporate consolidation, which is leading to larger enterprises as seen in the SDM 100 annual rankings. For example, in 2006, No. 20 on the SDM 100 had \$1.7 million of RMR. In 2012, No. 20 had \$3.6 million of RMR. In addition to consolidation, the increase in company size is being driven organically by increased market penetration and average revenue per unit (ARPU) due to the introduction and adoption of enhanced services, such as remote video monitoring and Web-based home automation services.

Private equity investors have become more active as they seek to participate in a market characterized by a long track record of stable, recession-resilient cash flows, increasing ARPU from enhanced services, significant economies of scale, and a very attractive borrowing environment. This interest is clearly demonstrated by the fact that today, more than half of the SDM 100 top 20 ranked companies are private equity-backed, whereas there was limited investment just a few years ago. We are also seeing increased participation in sell-side processes by private equity investors as the combination of low interest rates, highly leveragable RMR, and a need to put capital to work has created a competitive environment relative to strategic acquirers that has helped push valuation multiples to higher levels.

This shift in ownership towards private equity is expected to continue as more alarm companies cross the threshold where they can access the institutional equity and debt markets as described below. The availability of capital among the top, middle, and bottom tier companies is significant. The market unofficially defines the tiers as follows:

RMR TIER	PROVIDERS OF CAPITAL
Up to \$500 thousand	Local bank and specialty lenders
\$500 thousand to \$3 million	National institutional lenders, limited private equity
\$3 to \$6 million	National institutional lenders, private equity, high-yield
\$6 million and above	Public/private equity, institutional loans, high-yield bonds, securitizations

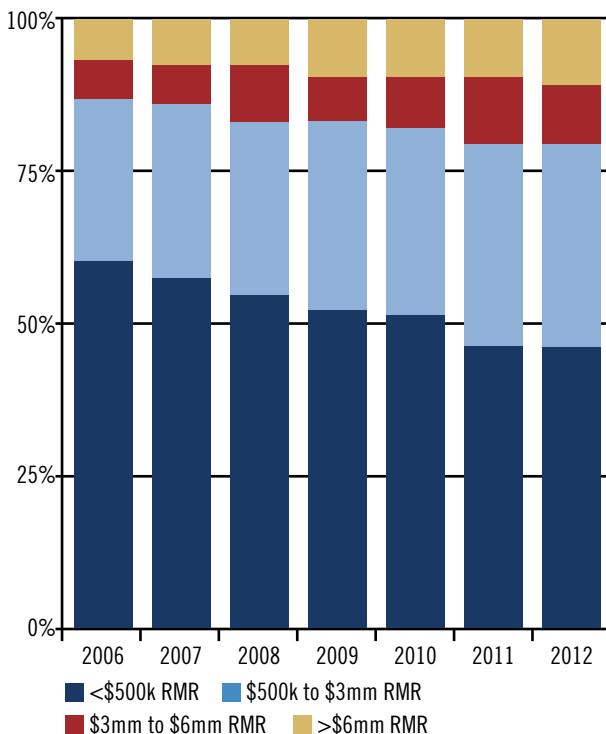
Since the 2006 SDM 100 report, the top 100 companies have broken out as follows among the RMR tiers (see "RMR Regroups"):

Institutional senior credit facilities provided by national lenders typically begin at a minimum of \$10 million, which implies that the borrower must have at least \$500 thousand of qualified RMR (implying a 20x leverage multiple). Below this level, alarm monitoring companies typically borrow from local banks or specialty lenders at rates and terms less favorable than the institutional market.

Notably, at the \$3.0 to \$3.5 million RMR level, companies have begun to be able to access the institutional non-bank market, which includes syndicated term loans and high-yield bond markets. Historically, access to these debt capital markets required twice as much RMR; however, an appetite for yield coupled with a better educated investor base has raised the profile for alarm monitoring companies resulting in oversubscribed syndications.

At the top of the industry, the largest companies have aggressively accessed the capital markets including public and private equity, high-yield debt, securitizations, and large institutional credit facilities (revolvers and term loans). By example, Interface Security Systems, ranked No. 12 this year, recently completed a recapitaliza-

### RMR Regroups



tion in January 2013, managed by Imperial Capital, that included a new \$230 million senior secured notes (high-yield bond) offering as well as a new undrawn revolving credit facility with Capital One. The offering was well received by the high-yield bond market and was significantly oversubscribed and widely distributed to approximately 100 debt investors. Other large alarm monitoring companies that have recently completed high-yield bond financings include Vivint, Monitorics, and Securitas Direct (Europe's largest residential alarm monitoring provider). In addition, ADT completed a \$700 million senior notes offering earlier in 2013 to repurchase outstanding shares of ADT common stock.

It is expected that the factors that have attracted investors during the last several years will remain in place during 2013 and there will continue to be an active mergers and acquisitions (M&A) market driven by inexpensive credit and strong equity investor appetite. For the industry as a whole, the influence of institutional investors is seen as a net positive with the implementation of best practices, a fresh outside perspective, and the investment of capital in new, innovative products and services. This new element of competition and investment is good, first and foremost, for consumers who benefit from the new products and services, as well as for the industry as a whole with stronger, better capitalized companies as the alarm industry continues to evolve and mature. — *By John E. Mack III*

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19	20	<b>Alarm Capital Alliance</b> Newtown Square, Pa.	\$4,389,170	25.4% ↑	134,903	na	na	\$47,965,227	184	4
20	17	<b>Devcon Security</b> Hollywood, Fla.	\$4,279,432	5.6% ↑	na	na	na	\$63,007,784	475	11
21	18	<b>Kastle Systems</b> Springfield, Va.	\$4,100,000	5.1% ↑	na	na	na	\$68,000,000	na	8
22	19	<b>CPI Security Systems Inc.</b> Charlotte, N.C.	\$4,091,028	13.3% ↑	101,072	\$3,400,000	\$1,142,000	\$53,607,894	367	5
23	21	<b>AFA Protective Systems Inc.</b> Syosset, N.Y.	\$2,539,000	5.0% ↑	48,200	\$250,000	\$32,100,000	\$73,636,800	446	19
24	22	<b>Alarm Detection Systems Inc.</b> Aurora, Ill.	\$2,281,329	4.8% ↑	27,288	\$692,190	\$4,637,229	\$34,022,839	220	2
25	24	<b>Ackerman Security Systems</b> Atlanta, Ga.	\$2,254,766	20.9% ↑	97,374	\$7,088,561	\$4,737,961	\$39,098,268	273	2
26	23	<b>ADS Security L.P.</b> Nashville, Tenn.	\$2,087,334	7.4% ↑	68,889	\$2,384,685	\$5,281,175	\$33,875,867	263	15
27		<b>SafeTouch</b> Jacksonville, Fla.	\$1,885,349	6.3% ↑	78,718	na	na	\$26,014,878	203	5
28	29	<b>DTT</b> Los Angeles, Calif.	\$1,779,000	26.3% ↑	7,791	na	na	\$21,350,583	268	3
29	26	<b>SAFE Security Companies</b> San Ramon, Calif.	\$1,734,232	0.5% ↑	62,546	\$174,800	\$52,000	na	90	1
30	28	<b>Electric Guard Dog</b> Columbia, S.C.	\$1,707,826	15.2% ↑	2,709	na	na	\$19,372,525	99	1
31	27	<b>Per Mar Security Services</b> Davenport, Iowa	\$1,612,521	6.3% ↑	32,337	\$1,173,150	\$15,015,943	\$39,413,993	296	13
32		<b>G4S Technology LLC</b> Omaha, Neb.	\$1,533,000	15.0% ↑	918	na	\$89,000,000	\$156,871,000	652	18
33	35	<b>Mountain Alarm</b> Ogden, Utah	\$1,225,060	18.8% ↑	20,692	\$365,000	\$12,003,208	\$21,303,911	142	6
34	32	<b>Safeguard Security</b> Scottsdale, Ariz.	\$1,207,879	10.5% ↑	na	na	na	\$36,238,000	na	3
35	30	<b>SSD Alarm Systems / Kern Security &amp; Fire / Alpha Security &amp; Fire</b> Anaheim, Calif.	\$1,170,888	-2.8% ↓	na	na	na	\$29,624,717	na	12

No. 19 – Acquired two high-quality companies; one on the West Coast and one in the Southeast. ■ No. 22 – Kept attrition at less than 6 percent. *SDM's 2000 Dealer of the Year.* ■ No. 25 – In addition to double-digit revenue growth, was selected by *Atlanta Business Chronicle* as one of the “Best Places to Work.” *SDM's 2007 Dealer of the Year.* ■ No. 26 – Opened first branch office in Mississippi. ■ No. 27 – First-time ranking on the *SDM 100.* ■ No. 28 – Established a cloud-based portal to aggregate all loss prevention and business intelligence solutions for clients. ■ No. 29 – Purchased a monitoring station. ■ No. 31 – Recorded internal RMR growth year due to an increase in the services provided in the last few years. Great increases in financial success, due mostly to growth in integrated projects and larger projects. ■ No. 32 – First-time ranking on the *SDM 100.* ■ No. 33 – Refinanced the company and with additional capital bought several other companies, growing RMR significantly. ■ No. 34 – *SDM's 2002 Dealer of the Year.*

“There has been an overall improvement in the market over the past 12 months. Government and local municipalities are leading the way with system upgrades and new construction,” states No. 39, American Alarm & Communications.

“The market for security systems sales and integrated systems projects showed growth in 2012 compared with 2011. We have seen an increase in new systems demand as well as RFP activity, particularly in the latter part of 2012. Retail and restaurants, financial and banking, and industrial markets exhibited the best growth for us,” describes No. 6-ranked Protection 1, *SDM's 2012 Dealer of the Year.* “Much of the business comes from upgrading existing systems and services versus new build activity.”

The industry’s largest security companies note that there still are lingering effects of the Great Recession on customers’ abilities to invest, to the extent they would like to invest, in security systems and services.

“Installation of fire and security systems remains strong,”

notes AFA Protective Systems Inc., No. 23. “While budgetary concerns are still quite prevalent, companies remain willing to allocate sufficient capital to maintain the necessary level of protection needed to secure a safe working environment.”

There are, and always will be, factors in the general economy and influences among society that affect the rate at which the security industry grows. For example, one company, Electric Guard Dog, No. 30, noted that it experienced a “clear drop in demand” last September and October leading into the elections. “This problem appeared to correct itself in November-January, but there was a very steep drop during those two months,” the company states.

However, the metamorphosis of the security industry into a services-based business capable of serving many sectors with a wide variety of security offerings has taken hold, evidenced by the largest security providers – the 2013 *SDM 100.*

RANK 2013	RANK 2012	COMPANY	RECURRING MONTHLY REVENUE, DEC. 31, 2012	RMR COMPARED WITH DEC. 31, 2011	SUBSCRIBERS	SALES REVENUE, RES. INSTALLS	SALES REVENUE, NON-RES. INSTALLS	GROSS REVENUE 2012 (\$ MIL)	FULL TIME EMPLOYEES	NO. OF LOCATIONS
36	31	<b>First Alarm</b> Aptos, Calif.	\$1,165,874	2.3% ↑	19,230	\$2,279,091	\$2,996,582	\$20,997,730	137	5
37	33	<b>EPS Security</b> Grand Rapids, Mich.	\$1,148,702	7.4% ↑	18,059	\$988,399	\$6,490,954	\$22,278,249	183	6
38	34	<b>General Security Inc.</b> Plainview, N.Y.	\$1,106,658	3.6% ↑	42,869	\$1,590,869	\$2,815,875	\$18,859,634	154	9
39	39	<b>American Alarm &amp; Communications</b> Arlington, Mass.	\$1,007,996	16.5% ↑	19,757	\$1,419,873	\$9,808,167	\$26,947,851	193	5
40	40	<b>NorthStar Alarm Services LLC</b> Orem, Utah	\$996,915	31.5% ↑	22,556	\$435,000	na	\$11,007,089	39	1
41	37	<b>Sonitrol New England</b> Rocky Hill, Conn.	\$962,188	7.0% ↑	27,037	\$248,125	\$5,988,997	\$19,249,572	105	5
42	36	<b>Kimberlite Corp.</b> Fresno, Calif.	\$944,258	-1.7% ↓	6,033	\$70,000	\$2,825,000	\$15,062,195	105	8

No. 36 – Significant investment in company's IT plant, switching to a virtual server arrangement. ■ No. 38 – 12.6 percent increase in profit. ■ No. 39 – Strong growth in RMR and volume over previous year. ■ No. 41 – Completely integrated IP-based alarm communication within the company. Technicians and sales teams received extensive training, and in the central station, IP was embraced not only from a hardware and equipment perspective, but also from a policies and procedures, and disaster recovery aspect. ■ No. 42 – Central station aided in the apprehension of 1,035 criminals.

### TOP COMPANIES RANKED BY RESIDENTIAL CUSTOMERS

RANK BY RESIDENTIAL SUBSCRIBERS	COMPANY	RESIDENTIAL SUBSCRIBERS	TOTAL SUBSCRIBERS	SDM 100 RANK	RANK BY RESIDENTIAL SUBSCRIBERS	COMPANY	RESIDENTIAL SUBSCRIBERS	TOTAL SUBSCRIBERS	SDM 100 RANK
1	Monitronics International	768,711	812,539	5	28	RLC Security Inc.	13,607	13,607	55
2	Vivint Inc.	671,818	671,818	4	29	Alarm Detection Systems Inc.	12,646	27,288	24
3	Protection 1	399,980	1,535,654	6	30	AFA Protective Systems Inc.	11,600	48,200	23
4	Slomins Inc.	270,271	293,773	7	31	American Alarm & Communications	11,047	19,757	39
5	Guardian Protection Services	241,252	264,310	10	32	Crime Prevention Security Systems LLC	10,181	13,221	87
6	Vector Security Inc.	225,821	268,331	9	33	A-Com Protection Services Inc.	9,700	15,018	65
7	Security Networks	164,023	172,339	14	34	Acadiana Security Plus	9,468	11,986	76
8	Central Security Group Inc.	154,232	165,841	17	35	First Alarm	9,300	19,230	36
9	ASG Security	130,730	187,021	11	36	Matson Alarm Co. Inc.	9,095	19,785	52
10	Security Systems Inc.	126,300	138,788	16	37	World Wide Security & GC Alarm Inc.	9,000	15,060	72
11	Alarm Capital Alliance	107,922	134,903	19	38	EPS Security	9,000	18,059	37
12	CPI Security Systems Inc.	96,367	101,072	22	39	F.E. Moran Inc. Alarm and Monitoring Services	8,935	25,171	44
13	Ackerman Security Systems	86,399	97,374	25	40	Mountain Alarm	8,276	20,692	33
14	Bay Alarm Company	61,782	118,917	13	41	Post Alarm Systems	7,923	14,500	60
15	Interface Security Systems Holdings Inc.	56,291	106,522	12	42	Security Force Inc.	7,800	7,998	81
16	SafeTouch	55,000	78,718	27	43	All Guard Alarm Systems Inc.	7,264	12,106	49
17	ADS Security L.P.	41,333	68,889	26	44	Security Equipment Inc.	6,884	15,463	48
18	EMC Security	36,436	39,856	45	45	Security Systems of America	6,790	11,877	77
19	General Security Inc.	33,837	42,869	38	46	Yarnell Security Systems	5,315	8,980	98
20	Amherst Alarm Inc.	19,940	25,241	88	47	Supreme Security Systems Inc.	5,039	8,045	50
21	Custom Security Systems Inc.	18,598	26,569	51	48	Gillmore Security Systems Inc.	4,731	5,989	84
22	Custom Security Systems	15,680	46,670	53	49	Electronix Systems Central Station Alarms Inc.	4,603	13,693	75
23	Blue Ridge Security Systems Inc.	15,466	35,591	70	50	Bonds Alarm Co. Inc.	4,111	7,758	93
24	NCA	14,819	16,517	100	51	Peak Alarm Co. Inc.	3,700	11,671	68
25	Sonitrol New England	14,355	27,037	41	52	Valley Alarm	3,659	7,786	91
26	Doyle Security Systems Inc.	14,280	23,802	47	53	The Protection Bureau	3,280	7,650	66
27	Per Mar Security Services	14,041	32,337	31	54	Safe Systems	3,141	9,761	69

SDM 100 companies are ranked here by the number of their residential customers. Note that some of the larger companies, such as ADT, are not ranked because they did not break out their total subscribers into residential and non-residential. Companies that reported fewer than 3,000 residential customers are not included in this table.

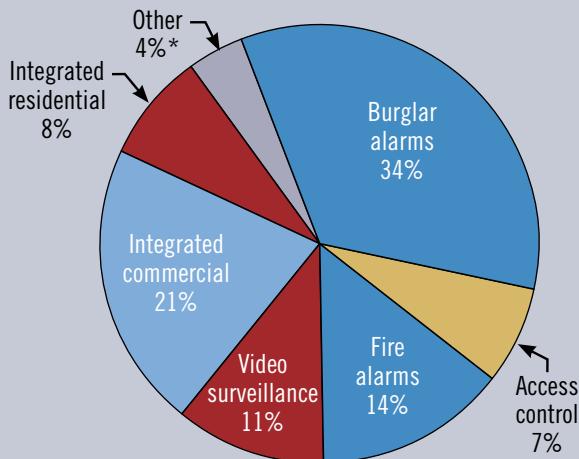


RANK 2013	RANK 2012	COMPANY	RECURRING MONTHLY REVENUE, DEC. 31, 2012	RMR COMPARED WITH DEC. 31, 2011	SUBSCRIBERS	SALES REVENUE, RES. INSTALLS	SALES REVENUE, NON-RES. INSTALLS	GROSS REVENUE 2012 (\$ MIL)	FULL TIME EMPLOYEES	NO. OF LOCATIONS
43	38	<b>Sonitrol Pacific</b> Portland, Ore.	\$902,667	0.4% ↑	4,500	\$60,000	\$2,574,780	\$13,752,302	85	5
44	47	<b>F.E. Moran Inc. Alarm and Monitoring Services</b> Champaign, Ill.	\$837,164	42.1% ↑	25,171	\$606,829	\$10,992,478	\$25,693,946	183	7
45	42	<b>EMC Security</b> Suwanee, Ga.	\$759,500	15.0% ↑	39,856	\$3,593,022	\$1,576,595	\$13,367,270	100	1
46	41	<b>Sonitrol of Sacramento &amp; Sonitrol Orange County</b> Roseville, Calif.	\$757,800	4.8% ↑	4,553	\$80,679	\$3,683,886	\$12,943,346	68	2
47	44	<b>Doyle Security Systems Inc.</b> Rochester, N.Y.	\$719,850	11.3% ↑	23,802	\$640,000	\$2,326,000	\$12,201,278	94	5
48	43	<b>Security Equipment Inc.</b> Omaha, Neb.	\$688,479	6.2% ↑	15,463	\$712,820	\$9,424,237	\$20,043,472	140	4
49	46	<b>All Guard Alarm Systems Inc.</b> Hayward, Calif.	\$609,048	1.8% ↑	12,106	\$670,284	\$1,316,587	\$9,771,760	63	2
50	45	<b>Supreme Security Systems Inc.</b> Union, N.J.	\$576,340	-4.0% ↓	8,045	\$255,665	\$1,137,773	\$9,058,236	71	1
51	49	<b>Custom Security Systems Inc.</b> Baton Rouge, La.	\$572,538	8.7% ↑	26,569	\$1,501,069	\$843,935	\$10,250,281	61	1

No. 44 – Doubled the number of employees and experienced significant RMR growth. ■ No. 45 – Continued to expand monitoring of school systems with seven total school systems now being monitored. Large increase in number of monitored systems being placed online. Connected services business growing with continued expansion of the “SecurePath” marketing message that includes three connected paths for security monitoring. ■ No. 47 – Acquired two companies in Albany, N.Y., and opened a full-service branch. ■ No. 48 – Expanded hosted and managed services. ■ No. 49 – Installed a large residential security system integrating burglar, fire, CCTV and fence protection.

## Revenue Segmented by Technology Categories

Average percentage of total revenue among SDM 100 companies, distributed by types of products/technology

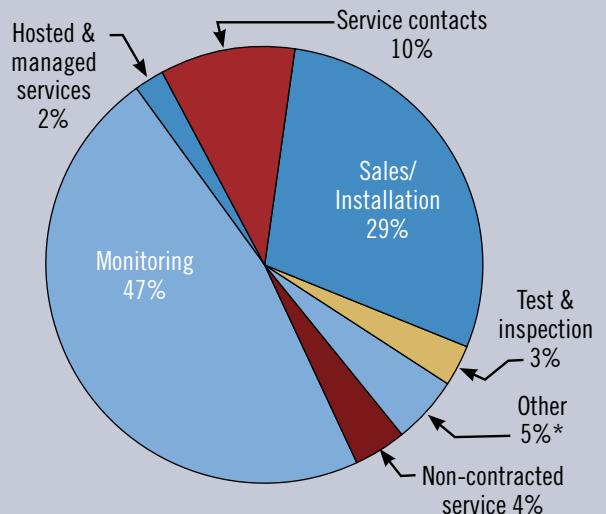


\*includes intercom, badging systems, perimeter security, IT hardware/software Source: 2013 SDM 100, SDM Magazine, May 2013

Security companies derive their total revenue from a wide variety of product categories, including the single most sizable — burglar alarm systems, which comprised an average of 34 percent of security companies' revenue in 2012. There were no significant differences in ratios compared with 2011.

## Revenue Segmented by Business Services

Average percentage of total revenue among SDM 100 companies, distributed by types of services



\*includes equipment leases and consulting Source: 2013 SDM 100, SDM Magazine, May 2013

Security companies derive their revenue from a wide variety of service categories, including the single most sizable — monitoring, which comprised an average of 47 percent of security companies' revenue in 2012. There were no significant differences in ratios compared with 2011; however, the new category of “hosted and managed services” grew very slightly from 1 percent to 2 percent.

RANK 2013	RANK 2012	COMPANY	RECURRING MONTHLY REVENUE, DEC. 31, 2012	RMR COMPARED WITH DEC. 31, 2011	SUBSCRIBERS	SALES REVENUE, RES. INSTALLS	SALES REVENUE, NON-RES. INSTALLS	GROSS REVENUE 2012 (\$ MIL)	FULL TIME EMPLOYEES	NO. OF LOCATIONS
52	51	<b>Matson Alarm Co. Inc.</b> Fresno, Calif.	\$563,032	7.6% ↑	19,785	\$500,000	\$2,053,564	\$9,562,342	66	4
53	48	<b>Custom Security Systems</b> Lacey, Wash.	\$546,275	1.5% ↑	46,670	\$253,993	\$1,451,629	\$9,734,360	102	3
54		<b>RFI Communications &amp; Security Systems</b> San Jose, Calif.	\$536,765	6.4% ↑	2,905	\$232,645	\$32,834,005	\$43,425,378	268	5
55		<b>RLC Security Inc.</b> Gibsonia, Pa.	\$532,561	87.2% ↑	13,607	na	na	\$4,929,733	2	1
56	53	<b>Koorsen Fire &amp; Security</b> Indianapolis, Ind.	\$530,228	1.9% ↑	na	\$475,000	\$9,278,379	\$78,521,934	na	22
57	50	<b>Sonitrol of Buffalo, Rochester, Toronto</b> Buffalo, N.Y.	\$524,118	0.2% ↑	5,539	\$50,000	\$3,558,941	\$10,495,745	86	3
58	57	<b>Redwire / Sonitrol of Tallahassee, Bay, NW FL, EC FL</b> Tallahassee, Fla.	\$494,263	5.4% ↑	5,348	na	na	\$8,553,481	67	6
59	68	<b>Select Security</b> Lancaster, Pa.	\$493,268	31.9% ↑	10,680	na	na	\$10,412,000	100	11
60	55	<b>Post Alarm Systems</b> Arcadia, Calif.	\$489,866	1.1% ↑	14,500	\$1,525,664	\$1,457,986	\$9,781,607	121	2
61	76	<b>Vision Security</b> Orem, Utah	\$474,544	56.0% ↑	10,116	\$29,178,331	\$193,600	\$30,982,056	18	1
62	56	<b>American Security Systems Inc.</b> Long Island City, N.Y.	\$474,000	6.0% ↑	7,111	\$320,000	\$3,750,000	\$10,119,015	75	2
63	58	<b>Sonitrol Tri-County</b> Grand Blanc, Mich.	\$473,518	2.8% ↑	na	na	na	\$9,489,306	70	3
64	60	<b>Habitec Security</b> Toledo, Ohio	\$468,581	3.5% ↑	na	\$700,000	\$2,300,000	\$9,320,000	90	3
65	62	<b>A-Com Protection Services Inc.</b> Columbus, Ga.	\$446,814	2.5% ↑	15,018	na	na	\$8,141,986	69	6
66	61	<b>The Protection Bureau</b> Exton, Pa.	\$445,850	0.5% ↑	7,650	\$68,400	\$8,695,000	\$15,250,859	90	3
67	54	<b>Intertech Security</b> Pittsburgh, Pa.	\$432,905	7.9% ↑	4,646	\$278,000	\$17,900,000	\$23,696,289	144	7
68	66	<b>Peak Alarm Co. Inc.</b> Salt Lake City, Utah	\$425,248	12.9% ↑	11,671	\$114,494	\$1,652,965	\$7,408,350	77	4
69	72	<b>Safe Systems</b> Louisville, Colo.	\$422,425	20.4% ↑	9,761	\$209,492	\$2,333,500	\$8,106,531	69	2
70	63	<b>Blue Ridge Security Systems Inc.</b> Anderson, S.C.	\$420,854	3.3% ↑	35,591	\$3,878,865	\$7,881,224	\$11,760,089	92	3
71	69	<b>Sonitrol SW Ohio</b> Mason, Ohio	\$414,346	10.8% ↑	6,209	\$75,000	\$1,700,000	\$7,061,871	48	2
72	67	<b>World Wide Security &amp; GC Alarm Inc.</b> Garden City, N.Y.	\$402,000	7.2% ↑	15,060	\$900,000	\$900,000	\$7,000,000	55	1
73	70	<b>Scarsdale Security Systems Inc.</b> Scarsdale, N.Y.	\$392,900	6.5% ↑	na	na	na	\$12,925,002	83	2
74	78	<b>DynaFire Inc.</b> Casselberry, Fla.	\$386,117	31.0% ↑	5,205	\$14,000	\$3,088,778	\$7,738,285	63	3
75	71	<b>Electronix Systems Central Station Alarms Inc.</b> Huntington Station, N.Y.	\$378,595	7.0% ↑	13,693	\$851,531	\$3,146,432	\$8,661,785	71	1
76	73	<b>Acadiana Security Plus</b> Broussard, La.	\$371,612	9.1% ↑	11,986	\$563,965	\$1,030,129	\$7,798,436	60	1
77	74	<b>Security Systems of America</b> Pittsburgh, Pa.	\$347,603	2.6% ↑	11,877	na	\$300,000	\$6,835,910	137	4
78		<b>Johnson Controls Inc.</b> Milwaukee, Wis.	\$335,417	0.6% ↑	2,600	na	na	na	695	35
79	80	<b>Fire Protection Inc.</b> Everett, Wash.	\$321,000	19.8% ↑	7,188	na	na	\$15,620,000	71	3

No. 52 – 12.7 percent increase in total revenue over the prior year. ■ No. 53 – No layoffs; maintained economic position; minimal RMR net attrition. ■ No. 54 – First-time ranking on the SDM 100. Acquired Microsoft Dynamics AX as new ERP platform to support future growth, while gaining workflow efficiencies and overall experience. ■ No. 55 – First-time ranking on the SDM 100. Secured a \$50 million credit facility. ■ No. 59 – Now in fourth year of using door-knocking business model, with plans to add 2,000 to 3,000 customers. ■ No. 62 – Continued to build up fire division, both installs and “parts and smarts” for electricians. ■ No. 64 – Added more recurring service solutions, including verified video monitoring, managed access control and simplified home automation. Positioned as a services business, avoiding sales without RMR. ■ No. 66 – SDM’s 2010 Dealer of the Year. ■ No. 69 – Completed two acquisitions; one closed Aug. 31 and the other Oct. 31, 2012. This added 1,404 systems and increased RMR more than 10 percent. ■ No. 70 – Now has a person on staff to manage efforts to connect to customers and prospects through social media. Has run several new advertising campaigns for print media, as well as TV and radio. ■ No. 72 – Integrated acquired accounts and organic growth. ■ No. 73 – Process improvements and restructuring, rebranding. ■ No. 74 – Expanded private radio network using mesh technology. ■ No. 77 – Installed more than 100 AES radios. ■ No. 78 – First-time ranking on the SDM 100.

RANK 2013	RANK 2012	COMPANY	RECURRING MONTHLY REVENUE, DEC. 31, 2012	RMR COMPARED WITH DEC. 31, 2011	SUBSCRIBERS	SALES REVENUE, RES. INSTALLS	SALES REVENUE, NON-RES. INSTALLS	GROSS REVENUE 2012 (\$ MIL)	FULL TIME EMPLOYEES	NO. OF LOCATIONS
80	75	<b>Washington Alarm Inc.</b> Seattle, Wash.	\$314,288	2.6% ↑	5,320	\$153,960	\$1,085,556	\$5,361,247	46	1
81		<b>Security Force Inc.</b> Raleigh, N.C.	\$312,116	141.5% ↑	7,998	\$400,000	\$35,000	\$7,100,000	42	3
82	77	<b>Richmond Alarm Company</b> Midlothian, Va.	\$305,630	2.2% ↑	10,060	\$1,152,000	\$1,041,000	\$6,902,388	76	3
83	79	<b>Bates Security LLC / Sonitrol of Lexington</b> Lexington, Ky.	\$302,982	7.4% ↑	4,355	\$350,178	\$3,289,740	\$8,152,321	53	1
84	83	<b>Gillmore Security Systems Inc.</b> Cleveland, Ohio	\$292,684	13.1% ↑	5,989	\$1,065,000	\$565,000	\$5,147,919	42	1
85	90	<b>ARK Systems Inc.</b> Columbia, Md.	\$286,392	23.5% ↑	1,196	na	\$12,000,000	\$18,300,000	117	3

No. 80 – Invested in a new building, infrastructure and personnel. ■ No. 81 – First-time ranking on the SDM 100. Expanded operation further north and south into Virginia and South Carolina. ■ No. 82 – Integrated a 2011 acquisition into operation. Closed a central station and organized and updated the accounts. ■ No. 83 – Moved to a brand new corporate headquarters, a three-story 14,000-sq.-ft. building, while continuing strong sales growth and maintaining a high level of customer service. ■ No. 84 – Integrated an acquisition.

## TOP COMPANIES RANKED BY NON-RESIDENTIAL INSTALLATION REVENUE

RANK BY INSTALLATION REVENUE	COMPANY	NON-RESIDENTIAL INSTALLATIONS 2012	NON-RESIDENTIAL REVENUE	SDM 100 RANK	RANK BY INSTALLATION REVENUE	COMPANY	NON-RESIDENTIAL INSTALLATIONS 2012	NON-RESIDENTIAL REVENUE	SDM 100 RANK
1	G4S Technology LLC	212	\$89,000,000	32	29	Sonitrol of Buffalo, Rochester, Toronto	179	\$3,558,941	57
2	Vector Security Inc.	4,665	\$73,533,000	9	30	Bates Security LLC / Sonitrol of Lexington	319	\$3,289,740	83
3	Slomins Inc.	1,471	\$34,095,052	7	31	Electronix Systems Central Station Alarms Inc.	542	\$3,146,432	75
4	RFI Communications & Security Systems	1,294	\$32,834,005	54	32	DynaFire Inc.	680	\$3,088,778	74
5	AFA Protective Systems Inc.	6,400	\$32,100,000	23	33	First Alarm	1,563	\$2,996,582	36
6	ASG Security	18,735	\$26,679,000	11	34	Kimberlite Corp.	459	\$2,825,000	42
7	Interface Security Systems Holdings Inc.	4,800	\$20,140,000	12	35	General Security Inc.	887	\$2,815,875	38
8	Intertech Security	530	\$17,900,000	67	36	Sonitrol Pacific	338	\$2,574,780	43
9	Per Mar Security Services	7,372	\$15,015,943	31	37	Safe Systems	1,067	\$2,333,500	69
10	Mountain Alarm	1,488	\$12,003,208	33	38	Doyle Security Systems Inc.	480	\$2,326,000	47
11	ARK Systems Inc.	200	\$12,000,000	85	39	Habitec Security	650	\$2,300,000	64
12	F.E. Moran Inc. Alarm and Monitoring Services	4,087	\$10,992,478	44	40	Moon Security Services Inc.	600	\$2,165,792	95
13	Bay Alarm Company	9,940	\$10,578,116	13	41	Matson Alarm Co. Inc.	899	\$2,053,564	52
14	American Alarm & Communications	3,421	\$9,808,167	39	42	Sentry Security	521	\$1,954,369	96
15	Security Equipment Inc.	822	\$9,424,237	48	43	Briscoe Protective Systems Inc.	80	\$1,879,745	94
16	Koorsen Fire & Security	2,400	\$9,278,379	56	44	Sonitrol SW Ohio	75,000	\$1,700,000	71
17	Guardian Protection Services	3,335	\$8,821,132	10	45	Peak Alarm Co. Inc.	844	\$1,652,965	68
18	The Protection Bureau	550	\$8,695,000	66	46	EMC Security	775	\$1,576,595	45
19	SDT Inc.	317	\$7,890,000	97	47	Yarnell Security Systems	120	\$1,500,000	98
20	Blue Ridge Security Systems Inc.	2,065	\$7,881,224	70	48	Post Alarm Systems	314	\$1,457,986	60
21	EPS Security	645	\$6,490,954	37	49	Custom Security Systems	485	\$1,451,629	53
22	Custom Alarm	865	\$6,000,000	92	50	All Guard Alarm Systems Inc.	480	\$1,316,587	49
23	Sonitrol New England	2,055	\$5,988,997	41	51	Sonitrol of Indianapolis	150	\$1,303,100	89
24	ADS Security L.P.	2,174	\$5,281,175	26	52	CPI Security Systems Inc.	1,532	\$1,142,000	22
25	Ackerman Security Systems	2,129	\$4,737,961	25	53	Supreme Security Systems Inc.	518	\$1,137,773	50
26	Alarm Detection Systems Inc.	861	\$4,637,229	24	54	Amherst Alarm Inc.	160	\$1,120,000	88
27	American Security Systems Inc.	150	\$3,750,000	62	55	Washington Alarm Inc.	1,092	\$1,085,556	80
28	Sonitrol of Sacramento & Sonitrol Orange County	1,434	\$3,683,886	46	56	Richmond Alarm Company	100	\$1,041,000	82
					57	Acadiana Security Plus	131	\$1,030,129	76

SDM 100 companies are ranked here by the amount of their installation revenue from non-residential projects. Note that some of the larger companies, such as Tyco Integrated Security and Stanley Convergent Security, are not ranked because they did not report this number to SDM. Companies that reported less than \$1 million are not included in this table.

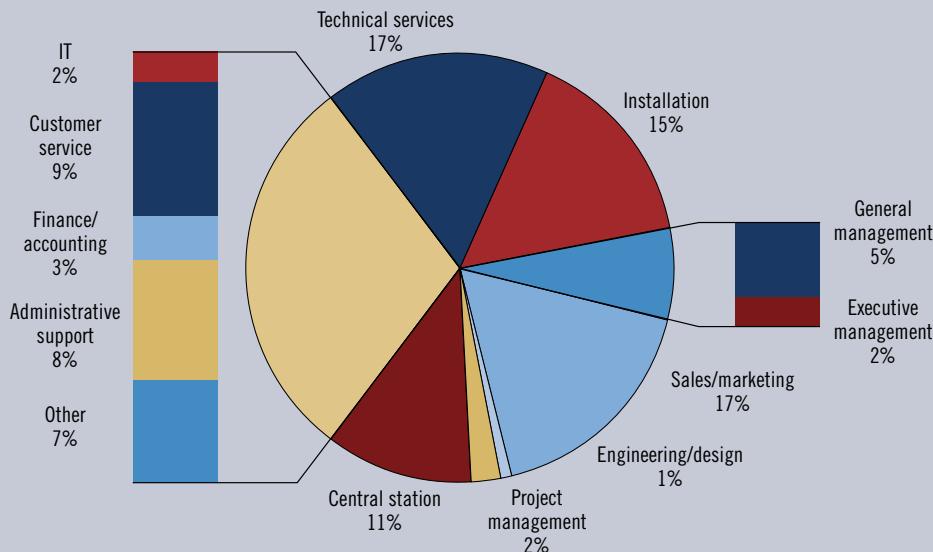


RANK 2013	RANK 2012	COMPANY	RECURRING MONTHLY REVENUE, DEC. 31, 2012	RMR COMPARED WITH DEC. 31, 2011	SUBSCRIBERS	SALES REVENUE, RES. INSTALLS	SALES REVENUE, NON-RES. INSTALLS	GROSS REVENUE 2012 (\$ MIL)	FULL TIME EMPLOYEES	NO. OF LOCATIONS
86		<b>Sonitrol Security Services Inc.</b> Charlotte, N.C.	\$284,655	1.6% ↑	3,906	\$750	\$7,500	\$5,861,885	53	2
87		<b>Crime Prevention Security Systems LLC</b> Gainesville, Fla.	\$282,720	8.3% ↑	13,221	\$1,614,125	\$286,673	\$6,257,176	na	2
88	86	<b>Amherst Alarm Inc.</b> Amherst, N.Y.	\$272,898	9.3% ↑	25,241	\$690,000	\$1,120,000	\$5,498,249	53	1
89	84	<b>Sonitrol of Indianapolis</b> Indianapolis, Ind.	\$263,207	3.7% ↑	1,985	na	\$1,303,100	\$4,673,473	28	1
90	82	<b>Pacific Alarm Systems Inc.</b> Culver City, Calif.	\$257,157	-1.0% ↓	4,152	\$105,247	\$461,764	\$4,013,077	47	1
91	88	<b>Valley Alarm</b> Sun Valley, Calif.	\$256,538	3.6% ↑	7,786	\$84,639	\$613,983	\$3,946,833	20	1
92	87	<b>Custom Alarm</b> Rochester, Minn.	\$248,680	0.4% ↑	5,880	\$450,000	\$6,000,000	\$10,043,817	62	1
93	89	<b>Bonds Alarm Co. Inc.</b> Phoenix, Ariz.	\$246,742	2.0% ↑	7,758	\$126,000	\$486,200	\$3,866,295	30	3
94	96	<b>Briscoe Protective Systems Inc.</b> Centereach, N.Y.	\$239,012	27.5% ↑	2,345	na	\$1,879,745	\$6,013,204	35	1
95	93	<b>Moon Security Services Inc.</b> Pasco, Wash.	\$234,911	9.4% ↑	6,848	\$1,271,973	\$2,165,792	\$9,175,366	109	3
96	85	<b>Sentry Security</b> Wheeling, Ill.	\$229,911	-9.4% ↓	4,034	\$197,386	\$1,954,369	\$5,743,917	21	1
97	95	<b>SDT Inc.</b> Newtown, Pa.	\$226,974	9.3% ↑	na	na	\$7,890,000	\$14,113,749	88	1
98	94	<b>Yarnell Security Systems</b> Lancaster, Pa.	\$217,000	3.6% ↑	8,980	\$400,000	\$1,500,000	\$5,100,000	41	1
99		<b>Mijac Alarm</b> Rancho Cucamonga, Calif.	\$210,309	3.1% ↑	na	na	na	\$3,725,255	29	1
100	98	<b>NCA</b> Nashville, Tenn.	\$191,085	18.5% ↑	16,517	\$1,527,605	\$115,812	\$3,928,140	19	1

No. 86 – Integrated design of access and IP camera technology monitored by central station. ■ No. 87 – Purchased a branch office in Orlando, Fla., retaining 23 staff members from the previous company and growing business in the new market. ■ No. 88 – Sales were flat and slightly down, yet profitability was up due to better management of resources. ■ No. 90 – Remodeled sales department and administrative/clerical office/department. ■ No. 92 – Converted central station software to new platform. ■ No. 97 – Successful in closing two key accounts that the company had been working for a long time. Also invested heavily in training of field staff. ■ No. 98 – Added IP-based system capabilities. ■ No. 99 – First-time ranking on the SDM 100.

## Composition of a Security Staff

Average percentage of staff employed in various departments at SDM 100 companies



Installation and technical service jobs together comprise the single largest majority of positions within an SDM 100 company, together accounting for approximately one-third of the employees in a security company's workforce. The second largest group is sales and marketing, at an average of 17 percent of total workforce.

Source: 2013 SDM 100, SDM Magazine, May 2013

## RANK BY TOTAL ANNUAL REVENUE

RANK BY TOTAL REVENUE	COMPANY	TOTAL GROSS REVENUE, 2010 (\$ MIL)	SDM 100 RANK
1	Tyco Integrated Security	\$8,300,000,000	2
2	ADT	\$3,286,949,035	1
3	Diebold Security	\$2,991,700,000	8
4	Stanley Convergent Security	\$1,644,300,000	3
5	Vivint Inc.	\$398,596,583	4
6	Protection 1	\$375,800,000	6
7	Monitronics International	\$349,953,000	5
8	Slomins Inc.	\$291,366,811	7
9	Vector Security Inc.	\$233,855,000	9
10	G4S Technology LLC	\$156,871,000	32
11	Guardian Protection Services	\$150,096,745	10
12	ASG Security	\$118,647,000	11
13	Interface Security Systems Holdings Inc.	\$112,768,000	12
14	Bay Alarm Company	\$103,065,201	13
15	Guardian Alarm Company	\$79,173,635	18
16	Koorsen Fire & Security	\$78,521,934	56
17	Security Networks	\$78,490,055	14
18	AFA Protective Systems Inc.	\$73,636,800	23
19	Kastle Systems	\$68,000,000	21
20	Devcon Security	\$63,007,784	20
21	Central Security Group Inc.	\$60,344,697	17
22	Protect America Inc.	\$59,915,000	15
23	Security Systems Inc.	\$53,756,200	16
24	CPI Security Systems Inc.	\$53,607,894	22
25	Alarm Capital Alliance	\$47,965,227	19
26	RFI Communications & Security Systems	\$43,425,378	54
27	Per Mar Security Services	\$39,413,993	31
28	Ackerman Security Systems	\$39,098,268	25
29	Safeguard Security	\$36,238,000	34
30	Alarm Detection Systems Inc.	\$34,022,839	24
31	ADS Security LP.	\$33,875,867	26
32	Vision Security	\$30,982,056	61
33	SSD Alarm Systems / Kern Security & Fire / Alpha Security & Fire	\$29,624,717	35
34	American Alarm & Communications	\$26,947,851	39
35	SafeTouch	\$26,014,878	27
36	F.E. Moran Inc. Alarm and Monitoring Services	\$25,693,946	44
37	Intertech Security	\$23,696,289	67
38	EPS Security	\$22,278,249	37
39	DTT	\$21,350,583	28
40	Mountain Alarm	\$21,303,911	33
41	First Alarm	\$20,997,730	36
42	Security Equipment Inc.	\$20,043,472	48
43	Electric Guard Dog	\$19,372,525	30
44	Sonitrol New England	\$19,249,572	41
45	General Security Inc.	\$18,859,634	38
46	ARK Systems Inc.	\$18,300,000	85
47	Fire Protection Inc.	\$15,620,000	79
48	The Protection Bureau	\$15,250,859	66
49	Kimberlite Corp.	\$15,062,195	42
50	SDT Inc.	\$14,113,749	97
51	Sonitrol Pacific	\$13,752,302	43
52	EMC Security	\$13,367,270	45
53	Sonitrol of Sacramento & Sonitrol Orange County	\$12,943,346	46
54	Scarsdale Security Systems Inc.	\$12,925,002	73
55	Doyle Security Systems Inc.	\$12,201,278	47

RANK BY TOTAL REVENUE	COMPANY	TOTAL GROSS REVENUE, 2010 (\$ MIL)	SDM 100 RANK
56	Blue Ridge Security Systems Inc.	\$11,760,089	70
57	NorthStar Alarm Services LLC	\$11,007,089	40
58	Sonitrol of Buffalo, Rochester, Toronto	\$10,495,745	57
59	Select Security	\$10,412,000	59
60	Custom Security Systems Inc.	\$10,250,281	51
61	American Security Systems Inc.	\$10,119,015	62
62	Custom Alarm	\$10,043,817	92
63	Post Alarm Systems	\$9,781,607	60
64	All Guard Alarm Systems Inc.	\$9,771,760	49
65	Custom Security Systems	\$9,734,360	53
66	Matson Alarm Co. Inc.	\$9,562,342	52
67	Sonitrol Tri-County	\$9,489,306	63
68	Habitec Security	\$9,320,000	64
69	Moon Security Services Inc.	\$9,175,366	95
70	Supreme Security Systems Inc.	\$9,058,236	50
71	Electronix Systems Central Station Alarms Inc.	\$8,661,785	75
72	Redwire / Sonitrol of Tallahassee, Bay, NW FL, EC FL	\$8,553,481	58
73	Bates Security LLC / Sonitrol of Lexington	\$8,152,321	83
74	A-Com Protection Services Inc.	\$8,141,986	65
75	Safe Systems	\$8,106,531	69
76	Acadiana Security Plus	\$7,984,436	76
77	DynaFire Inc.	\$7,738,285	74
78	Peak Alarm Co. Inc.	\$7,408,350	68
79	Security Force Inc.	\$7,100,000	81
80	Sonitrol SW Ohio	\$7,061,871	71
81	World Wide Security & GC Alarm Inc.	\$7,000,000	72
82	Richmond Alarm Company	\$6,902,388	82
83	Security Systems of America	\$6,835,910	77
84	Crime Prevention Security Systems LLC	\$6,257,176	87
85	Briscoe Protective Systems Inc.	\$6,013,204	94
86	Sonitrol Security Services Inc.	\$5,861,885	86
87	Sentry Security	\$5,743,917	96
88	Amherst Alarm Inc.	\$5,498,249	88
89	Washington Alarm Inc.	\$5,361,247	80
90	Gillmore Security Systems Inc.	\$5,147,919	84
91	Yarnell Security Systems	\$5,100,000	98
92	RLC Security Inc.	\$4,929,733	55
93	Sonitrol of Indianapolis	\$4,673,473	89
94	Pacific Alarm Systems Inc.	\$4,013,077	90
95	Valley Alarm	\$3,946,833	91
96	NCA	\$3,928,140	100
97	Bonds Alarm Co. Inc.	\$3,866,295	93
98	Mijac Alarm	\$3,725,255	99

### How to Purchase the SDM 100 Directory

Wouldn't it be useful to have more information about each of the 100 companies ranked here? The 2013 SDM 100 Directory includes contact names, mailing addresses, telephone numbers, website URLs, branch office locations, product buyer names, installation data, revenue sources, and more. The SDM 100 Directory comes in Microsoft Excel format. To order the SDM 100 Directory, contact Heidi Fusaro at (630) 518-5470 or by e-mail to [fusaroh@bnpmedia.com](mailto:fusaroh@bnpmedia.com).

## SDM 100 ALPHABETICAL INDEX

COMPANY	SDM 100 RANK	COMPANY	SDM 100 RANK	COMPANY	SDM 100 RANK
Acadiana Security Plus	76	EMC Security	45	RFI Communications & Security Systems	54
Ackerman Security Systems	25	EPS Security	37	Richmond Alarm Company	82
A-Com Protection Services Inc.	65	F.E. Moran Inc. Alarm and Monitoring Services	44	RLC Security Inc.	55
ADS Security L.P.	26	Fire Protection Inc.	79	SAFE Security Companies	29
ADT	1	First Alarm	36	Safe Systems	69
AFA Protective Systems Inc.	23	G4S Technology LLC	32	Safeguard Security	34
Alarm Capital Alliance	19	General Security Inc.	38	SafeTouch	27
Alarm Detection Systems Inc.	24	Gillmore Security Systems Inc.	84	Scarsdale Security Systems Inc.	73
All Guard Alarm Systems Inc.	49	Guardian Alarm Company	18	SDT Inc.	97
American Alarm & Communications	39	Guardian Protection Services	10	Security Equipment Inc.	48
American Security Systems Inc.	62	Habitec Security	64	Security Force Inc.	81
Amherst Alarm Inc.	88	Interface Security Systems Holdings Inc.	12	Security Networks	14
ARK Systems Inc.	85	Intertech Security	67	Security Systems Inc.	16
ASG Security	11	Johnson Controls Inc.	78	Security Systems of America	77
Bates Security LLC / Sonitrol of Lexington	83	Kastle Systems	21	Select Security	59
Bay Alarm Company	13	Kimberlite Corp.	42	Sentry Security	96
Blue Ridge Security Systems Inc.	70	Koorsen Fire & Security	56	Slomins Inc.	7
Bonds Alarm Co. Inc.	93	Matson Alarm Co. Inc.	52	Sonitrol New England	41
Briscoe Protective Systems Inc.	94	Mijac Alarm	99	Sonitrol of Buffalo, Rochester, Toronto	57
Central Security Group Inc.	17	Monitronics International	5	Sonitrol of Indianapolis	89
CPI Security Systems Inc.	22	Moon Security Services Inc.	95	Sonitrol of Sacramento & Sonitrol Orange County	46
Crime Prevention Security Systems LLC	87	Mountain Alarm	33	Sonitrol Pacific	43
Custom Alarm	92	NCA	100	Sonitrol Security Services Inc.	86
Custom Security Systems	53	NorthStar Alarm Services LLC	40	Sonitrol SW Ohio	71
Custom Security Systems Inc.	51	Pacific Alarm Systems Inc.	90	Sonitrol Tri-County	63
Devcon Security	20	Peak Alarm Co. Inc.	68	SSD Alarm Systems /	
Diebold Security	8	Per Mar Security Services	31	Kern Security & Fire / Alpha Security & Fire	35
Doyle Security Systems Inc.	47	Post Alarm Systems	60	Stanley Convergent Security	3
DTT	28	Protect America Inc.	15	Supreme Security Systems Inc.	50
DynaFire Inc.	74	Protection 1	6	The Protection Bureau	66
Electric Guard Dog	30	Redwire / Sonitrol of Tallahassee,		Tyco Integrated Security	2
Electronix Systems Central Station Alarms Inc.	75	Bay, NW FL, EC FL	58	Valley Alarm	91

### MORE ONLINE

Hear more from several of the SDM 100 companies about the factors contributing to their double-digit growth in *SDM's* podcast series, "SDM 100 Executives Share Successes," at [www.SDMmag.com/media/podcasts](http://www.SDMmag.com/media/podcasts)

To find this article online, as well as previous years' editions of the SDM 100, visit [www.SDMmag.com/SDM100Report](http://www.SDMmag.com/SDM100Report).

Register to attend *SDM's* virtual tradeshow, iSecurity, taking place on June 13, 2013, to hear more about the SDM 100 in the webinar, "RMR Growth Among the SDM 100." Visit [www.isecuritytradeshow.com](http://www.isecuritytradeshow.com) to register.

### SDM 100: Its Purpose & Approach

The SDM 100 has been published since 1991. Its primary objective is to measure consumer dollars gained by alarm companies, in order to present an account of the size of the market captured by the 100 largest security providers. SDM 100 firms are ranked by their recurring monthly revenue. RMR is the revenue associated with the contractual agreement between a security company and its subscriber — derived from customer billing for services such as monitoring, contracted service/system maintenance, security-as-a-service/managed solutions, and leasing of security systems — and is typically the basis for valuation of a security company. RMR is the language of security company executives and is meaningful in comparative analysis among industry peers. Of the 100 security dealers ranked, 39 of them earned more than \$1 million in RMR in 2012.