

Security Finance Newsletter

June 2011

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Volume VII, Issue 2

1st QUARTER ANNOUNCED MERGERS & ACQUISITIONS

Buyer: STANLEY CSS

Seller: ELECTRONIC PROTECTION NETWORK, a franchise of SONITROL. Stanley bought SONITROL (a systems integrator) in 2008 and has been buying up the remaining independently owned franchises. EPN has been a Sonitrol dealer since 2002 and is located in Savannah, Ga.

Buyer: TYCO. (NYSE:TYCO)

Seller: OCEANIC CAPITAL PARTNERS SELLS its SIGNATURE SECURITY GROUP UNIT (SSG). SSG, a systems integrator, is headquartered in Australia and also has operations in New Zealand.

Buyer: SAFETY VISION, LLC is a provider of mobile video and fleet automation solutions.

Seller: ICOP DIGITAL, INC. (NASDAQ:ICOP) is a provider of Tier 1 mobile video solutions for Law Enforcement, Fire & EMS markets. They are headquartered in Lenexa, Kansas with 50 employees and \$8.92 million in revenue.

Buyer: MACE SECURITY, INC. (OTC:MACE.PK)

Seller: THE COMMAND CENTER, INC. is based in Corona, California and is a wholesale central station which handles approximately 20,000 accounts from over 70 dealers.

Buyer: ADT SECURITY SYSTEMS

Seller: PROXIMEX provides event and information management for both the physical and logical security markets.

The company was founded in 2004 and is based in Sunnyvale, California.

Buyer: VERINT (NASDAQ:VRNT) is a provider of Actionable Intelligence solutions and value-added services.

Seller: RONTAL ENGINEERING APPLICATIONS, LTD. is a provider of situational awareness solutions and is headquartered in Israel.

Buyer: Investors GENERATION 3 CAPITAL and WAVELAND INVESTMENTS

Seller: FLUIDMESH is a provider of wireless networking devices and is based in Boston, Massachusetts. Under the deal Fluidmesh will become a separate division under a new company called CARRICK BEND.

Buyer: AGILENCE, INC. is a provider of point-of-service video auditing solutions.

Seller: VIDIENT SYSTEMS, INC. was a video analytics company that went out of business in 2010 and sold the assets to Agilence.

Buyer: INTERGRAPH is a provider of engineering and geospatial software that enables customers to visualize complex data.

Seller: DENALI SOLUTIONS, LLC is a provider of world-class Records Management System Investigative and Administrative Solutions. They are headquartered in Columbia, Maryland.

Buyer: PRIORITY ONE is a systems integrator which specializes in home security, home automation, commercial CCTV, card access and integrated technology.

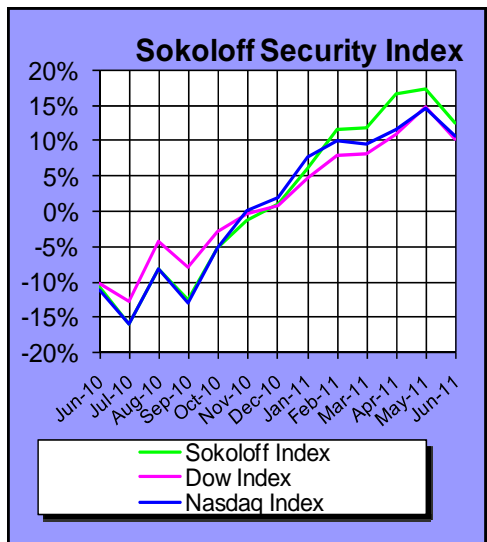
Seller: ORANGEBURG SECURITY is a systems integrator based in Orangeburg, South Carolina.

Buyer: UNITED TECHNOLOGIES CORP. (NYSE:UTX)

Seller: SIMITRONICS ASA (OSE:SIMTRO.OL) is a provider of gas and flame detection systems, extinguishing solutions and fire prevention systems for marine and off-shore industries. Based in Norway, the company is expected to complete delisting from the Oslo Stock Exchange by the second quarter of 2011.

Buyer: IDENTIVE GROUP (NASDAQ:INVE) is a provider of products, services and solutions for the security, identification and RFID industries.

Seller: IDONDEMAND delivers a managed identity service which allows organizations to use a single, globally-trusted credential for secure access to buildings, computers, mobile devices and corporate information stored in the cloud. Headquarters are in Pleasanton, California.



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**Sokoloff & Company
Interviews Frank Belflower
of Kaba Management
Consulting**

This quarter Sokoloff & Company speaks with Frank Belflower, EVP/COO of Kaba Management & Consulting (KMC). KMC encompasses three product segments - Access, Key Systems and Lodging Systems. They are a member of the Kaba Group, a 145 year old company. **Ranked as the fourth largest corporation in the world dedicated solely to security related products** and employing over 10,000 employees in more than 60 countries, Kaba is a strong voice in the industry. Frank gave us some insight into the daily operations of the business and how Kaba maintains its status as one of the top security companies in the world.

Tell us a little about Kaba's beginnings.

The history of Kaba dates back to 1862 when Franz Bauer established his locksmithing and safe building company, Kassa Bauer (translated Bauer Safe) in Switzerland. The Kaba name is a contraction of Kassa Bauer.

In 1995 Kaba went public on the Swiss exchange.

In 2001, Kaba acquired North American based, Unican Security Systems Ltd., which included Ilco keys and Simplex mechanical pushbutton locks, as well as various electronic access control products.

"In 2001, Kaba acquired Unican Security Systems, Ltd., which included Ilco keys and Simplex mechanical pushbutton locks."

Unican pioneered the pushbutton lock, introducing the first mechanical pushbutton lock in 1964.

Brands in the US include Kaba Mas, Ilco, Simplex, E-Plex, Peaks, Saflok, and other access control products.

How did you get your start in the security industry?

I started as an Industrial / Packaging

"We focus on our customers first, employees second while making sure we succeed long term for our shareholders."

same space don't? Why do you believe the company is so successful?

Compared to many companies in the Security Industry, Kaba is still a small company. **We focus on our customers first, employees second**

This notice appears as a matter of record only.



Wellsco INC.

has been acquired by



Infotech

Creating Business Impact

The undersigned advised Infotech Enterprises Ltd.



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engineer at the Ilco key blank factory 33 years ago. Filling many different hats over that period, I became part of the management board of Unican in 1993, and subsequently Kaba in 2001. I almost left the company after one year and was convinced to stay. After that, I was hooked on the lock and key business.

What do you believe Kaba has to offer that other companies in the

while making sure we succeed long term for our shareholders.

Listening and appreciating the people throughout the supply chain and employees that are passionate about product and customers yield success.

What drives innovation at Kaba (the marketplace, employees, vendors, media etc.) and what is the path the company takes to bring new products to the marketplace?

KABA PRODUCT

Access + Data Systems

Physical Access Systems
The well-considered, comprehensive product range includes half- and full-height physical access control units such as turnstiles, tripod barriers, security revolving doors and sensor and security interlocks.

Cylinders + Locks
This product group covers keys and key cylinders, mechanical and mechatronic cylinders, as well as plans for locking systems, digital locking systems and card readers.

Access Management
This product portfolio includes a complete range of access management systems.

Workforce Management
This group brings together multifunctional entry terminals, software and hardware applications for employee data and visitor management, door managers, remote-controlled reader modules and biometric components.

We listen to the market and then apply our technologies to provide a beneficial, cost-effective solution. Product roadmaps are developed as a team effort between sales, management, and engineering.

How do you support your customers such as the locksmiths that sell your locks and how do you build relationships with them?

FRANK BELFLOWER

EVPI/COO Access and Key Systems America of Kaba Management & Consulting

Since 2001, Mr. Belflower has been a member of the Executive Committee Kaba Group. Previously he held different management positions at Unican Group which was acquired by Kaba in 2001. He has a bachelors in Psychology.



Tell us about the corporate culture at Kaba.

The culture at Kaba is indicated in our Ethics policy. But to put it

similar value sets.

How do you integrate newly acquired businesses into Kaba?

We have a philosophy of fast but cautious integration. Even a broken clock is right twice a day. We like to determine the best practices and processes to extend across the merged entities.

What do you believe is the future for access control and the security industry in general?

While the economy and obviously government spending will have effects, overall we are optimistic about the security industry. **The US is much more focused on Guards and video; access control is higher developed in Europe and will gain ground in North America.**

*Contact
Sokoloff & Company*

Please contact **Bernie Walko, Managing Director** for a confidential consultation about your company's merger and acquisition needs.
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T PORTFOLIO

Lodging Products

The portfolio comprises locking systems for the hospitality and residential markets as well as commercial market products.

Industrial Locks

Safe Locks

This product group includes electronic high security locking solutions for government and commercial buildings, ATM locks, transit and cargo security products, safes and strong rooms.

Wah Yuet


Wah Yuet's broad portfolio mainly caters to OEM business, ranging from locks - including door locks, bike locks and all type of padlocks - to keys, cylinders and key blanks.

Key Systems

Keys + Key Cutting Machines


This product group includes a wide range of key blanks and mechanical, electronic and industrial key cutting and coding machines, as well as key duplication machines.

This notice appears as a matter of record only.




GLOBAL EQUITY CAPITAL, LLC

Has sold **Voicecom Telecommunications, LLC**




INTELLIVERSE
communications solved.

to



Amvensys
Amvensys Telecom Holdings, LLC

The undersigned advised the seller.



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We support trade organizations such as ALOA (Associated Locksmiths of America), our distributors and key account trade shows. Our biggest support in addition to education is striving to provide the best in customer service whether it is ease of installation or technical support; we take the customer experience as Job One.

simply, we strive to have our entire interface with customers and employees done on a basis of honesty and respect.

What is Kaba's strategy for both organic and inorganic growth?

Organically, we attempt to expand our product range with evolving technologies and line extensions. Inorganic, we look for companies in our immediate business scope with

"Access control is higher developed in Europe and will gain ground in North America."

Do you receive our free weekly e-mail Security Newsletter Update? If not, please adjust your spam filter or sign up easily on-line at www.sokoloffco.com.

While at our website, surf around. There's plenty of useful information, including our archive of newsletters tracking historical industry performance.

"Always do right. This will gratify some people and astonish the rest."
- Mark Twain (1901)

SOKOLOFF & CO. VALUATION RANKINGS OF PUBLIC SECURITY COMPANIES*

Q1 2011 Reports and Stock Prices as of June 1, 2011

USA LISTED COMPANIES

*Sokoloff & Company compiles a quarterly review of selected public security companies (and companies that dedicate a portion of their business to security) and compares how each is valued by the public marketplace. The companies are ranked comparatively by **EVS**, which is Enterprise Value divided by **EVS**. Other comparative indicators shown are **P/E**, **Price** to **Earnings** (market cap divided by earnings) and **EVM**, which is Enterprise Value Multiple: the Enterprise Value divided by EBITDA (Earnings Before Taxes, Interest, Depreciation and Amortization). All multiples are based on trailing twelve months (TTM) numbers through the most recently reported quarter. Changed from last quarter: Verint (Nasdaq: VRNT) was added.

Note: The quarterly revenue percentage column is the increase (or decrease) from the same quarter in the previous year. Where fiscal year has differed from calendar year, the most recently reported information is used. **This information is provided strictly for informational purposes to industry senior executives. Sokoloff & Co. makes no representations as to its accuracy. Sokoloff & Co. does not advise public investors; therefore this information should not be used for investing purposes.**

Current Rank	Previous Rank	Company	Symbol	Stock Price 6/1/2011	52 Week Range	Market Cap 6/1/2011	(000s)			(000s)		Over Q1 2010		EVS	EVM
							2008 Revenue	2009 Revenue	2010 Revenue	1st Q 11 Revenue	1st Q 11 Incr/Decr	P/E			
1	1	Sourcefire, Inc.	FIRE	26.02	16.80-32.79	734.91M	75,673	103,465	130,572	30,782	19.2%	38.32	4.20	37.12	
2	2	Gentex Corporation	GNTX	28.49	16.69-35.35	4.07B	623,800	544,523	816,263	250,946	35.1%	27.39	4.18	14.98	
3	4	Flir Systems, Inc.	FLIR	35.10	24.00-37.29	5.60B	1,076,974	1,147,087	1,385,301	373,465	30.0%	23.32	3.69	12.48	
4	3	Roper Industries, Inc.	ROP	80.17	54.21-88.76	7.69B	2,306,371	2,049,668	2,386,122	645,309	20.7%	22.10	3.58	13.14	
5	6	Taser Corp.	TASR	44.46	3.52-5.10	270.38M	92,846	104,252	86,930	23,117	-3.0%	N/A	2.79	51.99	
6	New	New Verint	VRNT	34.66	19.63-38.10	1.29B	534,543	669,544	703,633	186,869	8.2%	111.81	2.28	14.42	
7	7	The Geo Group	GEO	23.74	19.01-26.95	1.53B	1,043,006	1,141,090	1,269,968	391,766	36.2%	22.50	2.18	12.73	
8	8	Zebra Technologies Corp.	ZBRA	42.84	24.14-44.53	2.34B	976,700	803,585	956,848	237,301	11.9%	17.50	2.16	11.62	
9	9	AuthenTec	AUTH	2.69	1.48-4.08	117.75M	63,948	34,066	44,667	15,476	68.7%	N/A	1.79	N/A	
10	11	United Technologies Corp.	UTX	84.30	62.88-90.67	77.16B	59,757,000	52,425,000	54,326,000	13,344,000	10.8%	17.12	1.53	9.10	
11	9	Stanley Black & Decker	SWK	70.45	48.76-78.19	11.84B	4,426,200	3,737,100	8,409,600	2,380,700	88.6%	25.53	1.47	9.98	
12	13	Honeywell	HON	57.53	37.89-62.28	45.28B	36,556,000	30,908,000	33,370,000	8,909,000	14.6%	20.24	1.47	11.59	
13	14	Tyco International	TYC	47.26	34.23-53.38	22.16B	20,199,000	16,882,000	17,016,000	3,992,000	-2.5%	15.52	1.46	7.90	
14	12	Brady Corporation	BRC	34.13	24.22-38.73	1.80B	1,523,016	1,208,702	1,259,056	337,896	5.0%	17.97	1.39	8.43	
15	16	Ingersoll Rand	IR	47.47	32.42-52.33	15.72B	13,227,400	13,101,800	14,079,100	3,138,000	13.5%	28.96	1.33	10.61	
16	10	Identive Group	INVE	2.44	1.40-5.90	118.08M	28,362	41,315	84,843	22,420	46.1%	N/A	1.24	N/A	
17	17	OSI Systems	OSIS	39.63	25.26-40.65	754.99M	623,088	590,361	595,111	174,931	20.3%	25.99	1.11	10.65	
18	18	Siemens AG	SI	129.52	84.90-146.74	113.17B	104,308,000	103,292,000	102,374,000	26,312,000	7.2%	14.62	1.00	7.33	
19	20	Napco Security Systems, Inc	NSSC	2.44	1.55-2.44	46.59M	68,367	69,565	67,757	17,760	10.9%	N/A	0.94	57.91	
20	21	Johnson Controls	JCI	37.94	25.56-42.53	25.74B	38,062,000	28,497,000	34,305,000	10,144,000	22.0%	16.28	0.82	11.84	
21	19	Checkpoint Systems, Inc	CHKP	17.43	16.07-23.00	698.72M	917,082	772,718	834,498	184,673	-1.5%	48.28	0.80	8.96	
22	15	L-3 Communications Holdings	LLL	80.40	66.11-85.45	8.53B	14,901,000	15,615,000	15,680,000	3,601,000	-0.6%	9.75	0.78	6.24	
23	22	Diabold	DBD	32.32	18.26-37.12	2.11B	3,081,838	2,718,292	2,823,793	614,157	-0.8%	N/A	0.78	8.64	
24	23	Magal Security Systems Ltd.	MAGS	3.21	2.50-3.68	33.37M	57,105	54,518	49,699	11,540	18.1%	N/A	0.71	N/A	
25	25	ManTech International	MANT	43.95	34.69-45.12	1.61B	1,870,879	2,020,334	2,604,038	700,864	19.3%	12.41	0.65	6.88	
26	24	Lockheed Martin Corp.	LMT	75.76	67.68-82.43	26.31B	42,731,000	43,995,000	45,803,000	10,633,000	2.9%	9.40	0.61	5.89	
27	26	Northrop Grumman Holdings	NOC	63.75	53.50-72.50	18.66B	32,315,000	33,755,000	34,757,000	6,734,000	-2.6%	9.01	0.55	4.80	
28	27	Brinks Company	BCO	28.96	18.30-34.46	1.35B	3,164,000	3,135,000	3,122,000	913,300	24.2%	16.42	0.48	5.24	
29	28	Richardson Electronics, Ltd.	RELL	13.28	8.00-14.04	242.76M	568,409	496,379	491,847	39,653	18.7%	8.31	0.46	7.98	
30	29	URS Corporation	URS	43.00	35.09-48.32	3.38B	10,086,289	9,249,088	9,177,051	2,319,800	5.1%	13.62	0.39	5.81	
31	30	Vicon Industries, Inc.	VII	4.43	3.60-5.24	19.87M	66,911	60,455	48,681	12,077	6.2%	N/A	0.12	N/A	
				1,237.77			395,331,807	369,221,907	389,058,378	96,691,802	Quarterly Growth Over Q1 2010				
				Growth over previous period			Over Year 2008		Over Year 2009	Over Q4 2010					
							-6.6%		5.4%	-8.6%					
									Average				17.8%	23.85	1.51
									Median				13.5%	17.74	1.24
															9.98



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