

SECURITY DISTRIBUTING & MARKETING

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Inner Workings Of Integration p. 68



EXCLUSIVE: 7th Annual

SDM one hundred

Top Dealers Ranked p. 81

How to Install
Electromagnetic Locks p. 99

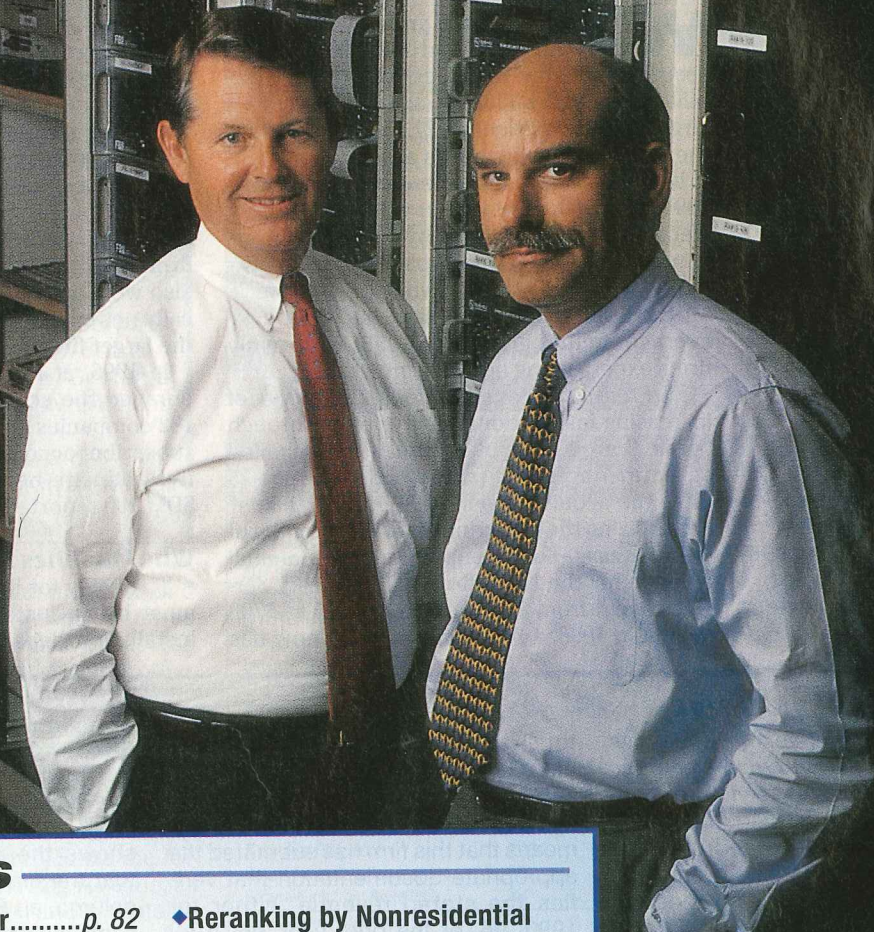
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7th ANNUAL

SDM one hundred

THE INDUSTRY'S TOP COMPANIES



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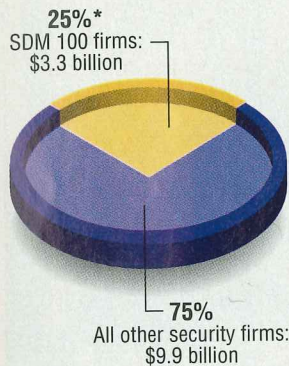
Bay Alarm Co. is the only family-operated security business in the top 15 of the SDM 100. Bay Alarm, No. 12, is operated by Roger Westphal (left), Ed Jenks, and Bruce Westphal (not pictured). The central station is located at the firm's Walnut Creek, Calif., headquarters.

Big Firms Get Bigger

SDM's seventh annual ranking of the largest electronic security firms shows that the biggest of the big are disproportionately outpacing the rest of the industry.

By Laura E. Stepanek
Senior Editor, SDM

SDM 100 Share of Market: 25%



*percentage of total 1996 revenue, based on SDM's 1997 Forecast Survey
Source: SDM, 1997

As in years past, the largest 100 security firms continued in 1996 to capture a fourth of total industry revenue.

When industrywide growth clocks in at just 2.2% — as it did in 1996, when total security industry revenues went from \$12.9 billion to \$13.2 billion — and the industry's largest firms experience a 21.5% growth rate in the same year, something's askew.

In fact, the variance exists even within the 1997 SDM 100, a table that ranks the largest electronic-security firms by 1996 gross revenue. It was the top 25 companies that had this phenomenal growth rate, while the bottom 25 on the SDM 100, by contrast, had only 2.4% average annual growth in 1996, with many firms experiencing negative growth.

The reason: Through a combined effort of increasing installation activity (often through "dealer" programs) plus purchasing installed subscriber accounts (at least 16 of the top 25 firms did acquisitions in 1996), these "giants" are realizing the recurring revenue potential of critical mass. For example, recurring annual revenue for the No. 1 firm, ADT Security Services, went from \$527 million in 1995 to \$708 million in 1996, a 34% increase. ADT now has

nearly 1.5 million subscribers, and several others in the top 10 are approaching the half-million mark.

In the middle and lower part of the list, the picture isn't as rosy, although a select few companies experienced good growth in 1996 due to either a strong local economy or a strong marketing program. In 1995 and 1996, several of the smaller, more traditional entrepreneurial firms began residential low- or no-cost installation programs. The results of these programs will be evident in a few years. The firms in the middle and lower part of the list also were active purchasers in 1996, but typically netted much fewer accounts overall than the larger firms.

In 1996, at least 43 alarm dealers actively pursued the acquisition market — acquiring 182 companies and gaining more than 180,000 subscriber accounts. (This is a very conservative estimate because not every firm in the SDM 100 reported its acquisition activity.)

Who Qualifies for the SDM 100?

To qualify for listing on the SDM 100, a firm must be an installer — that is, operate an installation department/division or contract

How to Read the Listings

The SDM 100 ranks, by 1996 gross revenue, firms that provide electronic security systems and services to both residential and nonresidential markets. This ranking is based on information provided to *SDM* by each firm.

Reading across, the first piece of information is the firm's 1997 rank, based on 1996 gross revenues (figures may be rounded). If the firm was previously ranked, then the 1996 rank appears to the right.

Next, the company name and location appear. The third column shows

total U.S. revenue in calendar- or fiscal-year 1996 from security system sales/installation, service, leasing, and monitoring. A *v* after the number means that this firm has submitted the appropriate documentation that verifies the stated revenue, either for 1996, **96**, or the prior year, **95**. A *vu* means that although documentation was submitted, it wasn't audited or reviewed by a third party. An *e* means the revenue is estimated by *SDM*.

The fourth column shows the percentage change from 1995 to 1996

gross revenue, where applicable.

The fifth column contains the number of subscribers, or customers, each firm counts, while the sixth shows the number of new systems that the firm installed in 1996. In this column, an *R* following a figure represents residential systems and a *C* represents commercial.

The seventh column shows the number of full-time employees and the last column indicates the total number of locations, including both headquarters and branch offices.

12•13

Bay Alarm Co.
Walnut Creek, CA

39.9

7%

62,000

4,800 (R)
4,560 (C)

450

10

Total gross revenue in 1996 from SDM 100 firms reached \$3.29 billion, a 10% increase over the prior year. However, because the listed firms aren't required to release financial information, some do not provide their recurring revenue, number of accounts, or installation volume. Therefore, exercise care in using this information to extrapolate industry totals.

The Fallout

Consolidation in the industry infiltrated all levels. Firms that were acquired included some in the top 10 of the SDM 100. Among those missing from the 1997 SDM 100 due to acquisition:

- ✓ Westinghouse Security Systems, acquired by Westar Security, No. 6;
- ✓ ASH (Automated Security Holdings) USA, acquired by ADT;
- ✓ Sentry Alarm Systems of America and National Security Service, both acquired by Entergy Security Inc., No. 16;
- ✓ Metrol/Dictograph Security Services, acquired by Protection One, No. 8; and
- ✓ Commonwealth Security Systems, acquired by Republic Security Services, No. 7.

In all, there are 20 firms listed for the first time on the 1997 SDM 100, most ranked in the lower 50.

for installation services — and must sell and install electronic security systems, such as intrusion (burglar) alarms, fire alarms, access control, and/or CCTV systems, as well as other types of systems. These firms may also provide field service and monitoring; however, firms that provide only service and monitoring do not qualify.

There are three ways to compare and contrast the SDM 100 companies: by gross revenue, as listed in the main tables on the following pages; by annual recurring revenue, as shown in the table on page 94; and by installation volume, in the table on page 92.

Patrick O'Toole, staff editor, contributed to the SDM 100. SDM acknowledges the assistance of ProFinance Associates Inc., Westport, Conn., and Barnes & Associates, St. Louis.

Editor's Note: Questions about the SDM 100 should be sent in writing (mailed, faxed, or e-mailed) to: Senior Editor Laura Stepanek, SDM, P.O. Box 5080, Des Plaines, IL 60017-5080. Fax (847)390-2690; e-mail l.stepanek@cahners.com.

SDM 100 Stat Sheet

Total 1996 annual revenue: \$3.29 billion*
 Total 1996 recurring annual revenue: \$1.77 billion†
 Total number of customer contracts (year-end 1996): 5.4 million**
 New 1996 installations/revenue††
 Residential units: 627,343 Sales revenue: \$127.1 million
 Non-residential units: 66,072 Sales revenue: \$157.1 million
 Number of people employed in 1996
 Full-time: 36,408 Part-time: 960
 Number of business locations operated: 842
 Number of companies acquired in 1996: 182***
 Number of accounts gained from acquisitions: 181,296

*U.S. revenue from security systems sales/installation, service, leasing, and monitoring, as reported to or estimated by SDM.

†Average annualized recurring revenue based on the fourth quarter of 1996. Based on responses from 84 firms. Not included: Alert Alarm Co., All-Guard Alarm Systems, Central District Alarm, Central One, Crime Detector, George Alarm Co., Honeywell, Post Alarm Systems, Republic Security Services, Robinson Alarm Co., SDA Security Systems, Security of Los Angeles, SecurityLink from Ameritech, SSD Systems, Vivitar Security Systems, Westec Security Group.

**Based on responses from 93 firms. Not included: Alert Alarm Co., Central District Alarm, DGA Security Systems, Engineered Fire Systems, SDA Security Systems, SSD Systems, Vivitar Security Systems.

††Based on responses from 83 firms. (Note: some firms reported unit sales or installation revenues only, while most reported both.) Not included: Alarmguard, Alert Alarm Co., Central District Alarm, DGA Security Systems, George Alarm Co., Greater Alarm Co., Holmes Protection Group, Honeywell, Post Alarm Systems, Protection Service Industries, Republic Security Services, Robinson Alarm Co., SDA Security Systems, SecurityLink from Ameritech, Vivitar Security Systems, Westar Security, Westec Security Group. Reporting residential units only: ADT, Brink's Home Security, Network Multi-Family.

***Based on responses from 43 firms.

Source: Security Distributing & Marketing, 1997

Public Companies on the SDM 100

Company	Symbol	52-week		Price	Earn/Shr	P/E Ratio
		High	Low			
ADT Security Systems Inc.	ADT	27 ⁵ / ₈	15 ⁷ / ₈	25 1/2	-5.06	dd
Alarmguard*	AGD	1	3 ³ / ₈	7 ¹ / ₈	n.a.	n.a.
AFA Protective Systems Inc.	AFAP	123	111	123	n.a.	n.a.
Brink's Home Security	PZB	32 3/4	23 1/8	29 7/8	1.56	19.2
Entergy Security Systems	ETR	29	22 3/8	22 7/8	1.83	12.5
Guardian International	GIIS	5 1/8	5/8	15 ¹⁵ / ₁₆	n.a.	n.a.
Holmes Protection Group Inc.	HLMS	16 3/4	8	15	-.51	dd
Honeywell Inc.	HON	76 5/8	48 1/4	68 5/8	3.18	21.6
Inter-Active Services Inc.	ITAS	3 ³ / ₁₀₀	1 ¹ / _{1,000}	3 ³ / ₁₀₀	n.a.	n.a.
Multi-Media Security Service Inc.	GCI	90 3/8	62	83 1/4	4.43	18.8
Protection One Inc.	ALRM	17 7/8	7 3/8	10 1/4	-1.21	dd
Republic Industries Inc.	RWIN	44 3/8	15 1/4	23 5/8	-.12	dd
Response USA Inc.	RUOK	9 1/4	2 1/4	2 1/4	-1.50	dd
Rollins Protective Services Inc.	ROL	23 3/4	18 1/4	18 3/4	.64	29.3
SecurityLink from Ameritech	AIT	65	49 5/8	56 3/4	3.87	14.7
Time-Warner Security	TWX	45	29 3/4	40 3/4	-.95	dd
Wells Fargo Alarm Services Inc.	BOR	15 1/8	8 1/4	14 1/2	.59	24.6
Westec Security Inc.**	J.SCO	n.a.	n.a.	56.71	n.a.	n.a.
Westar Security	WR	31 7/8	28	29 7/8	2.41	12.4

* Alarmguard stock AGD had not commenced trading as of April 14, 1997. Data about the stock comes from trades made by its parent Triton Group Ltd. which until recently traded under the symbol TGL.

** Westec parent, Secom Co. is traded on the Tokyo exchange and its share price reflects a 126.61 Japanese yen per U.S. dollar exchange rate.

Source: SDM, 1997. All figures taken at the close of trading April 14, 1997. The figure 'dd' indicates a negative price/earnings ratio.

Of the 19 public companies listed, most are divisions of companies from other industries. Only ADT, Alarmguard, Protection One, Guardian International, Holmes Protection, Inter-Active Services, and Response USA are considered pure plays in the alarm industry.

The 1997 SDM 100

Rank 1997•1996	Company City/state	Gross Revenue 1996 (\$ millions)	Growth Rate '95 to '96	Subscribers in 1996	1996 Installations	Full-time Employees	Operating Locations
1•1	ADT Security Services Inc. Boca Raton, FL	993.8	22%	1,430,000	265,000 (R)	11,100	n/a
2•3	SecurityLink from Ameritech Oak Brook Terrace, IL	250 ^e	0%	367,000	n/a	3,000	66
3•2	Wells Fargo Alarm Services Inc. King of Prussia, PA	241.1 ^{v-95}	-5%	166,798	5,000 (R) 10,000 (C)	2,072	46
4•4	Honeywell Inc., Home & Building Control Minneapolis	223 ^e	0%	200,000	n/a	n/a	55
5•5	Brink's Home Security Inc. Carrollton, TX	156	22%	446,500	98,500 (R)	1,850	59
6•—	Westar Security sub. Western Resources Dallas	142*		425,000	n/a	1,850	65
7•11	Republic Security Services Inc. Ft. Lauderdale, FL	100	89%	280,000	n/a	3,500	58
8•10	Protection One Inc. Culver City, CA	73.5 ^{v-96}	31%	196,531	37,800 (R) 5,000 (C)	814	14
9•9	Westec Security Group Newport Beach, CA	68	10%	70,000	n/a	n/a	22
10•7	Rollins Protective Services Inc. Atlanta	66	0%	130,000	12,000 (R) 2,500 (C)	700	52
11•12	Holmes Protection Group Inc. New York	51	0%	35,000	n/a	500	13
12•13	Bay Alarm Co. Walnut Creek, CA	39.9	7%	62,000	4,800 (R) 4,560 (C)	450	10
13•17	Multimedia Security Service Inc. Wichita, KS	39.2	38%	110,774	7,149 (R) 1,768 (C)	490	14
14•20	Slomin's Security Hicksville, NY	36.6	72%	58,908	22,012 (R) 198 (C)	112	7
15•16	Network Multi-Family Security Corp. Dallas	36	22%	250,000	32,000 (R)	250	10
16•40	Entergy Security Inc. Raleigh, NC	35.9	278%**	58,400	2,229 (R) 3,337 (C)	524	22
17•14	Guardian Alarm Co. Southfield, MI	35	3%	75,000	8,300 (R) 2,600 (C)	380	5
18•15	Vector Security Inc. Pittsburgh	32	7%	60,000	2,500 (R) 650 (C)	300	17
19•19	Smith Alarm Systems Dallas	28.9	28%	45,000	5,000 (R) 3,000 (C)	260	4
20•24	Masada Security Inc. Birmingham, AL	28.6	51%	85,239	25,971 (R) 1,004 (C)	858	17
21•18	AFA Protective Systems Inc. Syosset, NY	27.5	0%	22,000	300 (R) 1,500 (C)	273	8
22•21	Comsec Narragansett Security Inc. Weatogue, CT	24.4	16%	26,000	600 (R) 1,200 (C)	206	10
23•22	Alarmguard Inc. † Orange, CT	24.1	18%	50,000	n/a	425	8
24•25	Ranger American Inc. San Antonio, TX	23.4	26%	40,706	21,007 (R) 429 (C)	424	10
25•29	Guardian Protection Services Inc. Pittsburgh	20.1 ^{v-96}	38%	53,833	18,969 (R) 550 (C)	430	15
26•23	Centennial Security Holdings Inc. Madison, NJ	20	0%	30,000	4,000 (R) 1,000 (C)	300	12

KEY: v=verified vu=verified, unaudited e=estimate R=residential C=commercial n/a=not available
 * Annualized run-rate revenue, not total '96 revenue, due to Westinghouse Security Systems acquisition, December 1996 † merged with Triton Group Ltd. and became publicly held, April 1997. **Entergy Security was formed by the 1996 merger of National Security Service and Sentry Alarm Systems of America

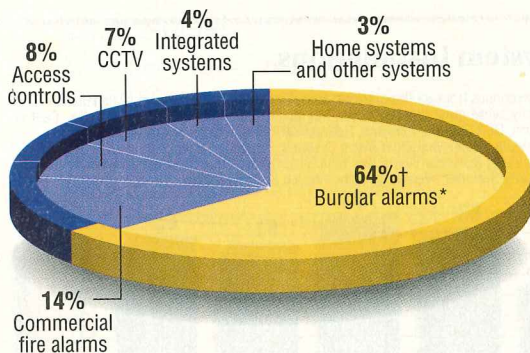
The 1997 SDM 100

Rank 1997•1996	Company City/state	Gross Revenue 1996 (\$ millions)	Growth Rate '95 to '96	Subscribers in 1996	1996 Installations	Full-time Employees	Operating Locations
27•33	Protection Service Industries L.P. San Bernardino, CA	14.9 v-96	27%	26,406	n/a	185	6
28•31	Alarm Detection Systems Inc. Aurora, IL	14.2 v-95	6%	16,702	168 (R) 441 (C)	123	1
29•32	SSD Systems/Kern Security Systems Anaheim, CA	13	2%	n/a	400 (R) 1,340 (C)	150	6
30•35	American Alarm Systems Inc. Santa Ana, CA	12.1	13%	24,710	150 (R) 2,500 (C)	135	1
31•38	Response USA Inc. Lawrenceville, NJ	11.4	13%	50,000	250 (R) 100 (C)	125	5
32•41	Per Mar Security Services Davenport, IA	11 v-96	16%	16,400	895 (R) 2,200 (C)	180	9
33•37	Alert Holdings Group Inc. Honolulu	10.8	6%	15,900	600 (R) 700 (C)	111	6
34•36	Central District Alarm Inc. St. Louis	10.7 e	0%	n/a	n/a	n/a	n/a
35•100	Doyle Security Systems Rochester, NY	10.1	266%*	20,400	700 (R) 300 (C)	162	6
36•44	Security Corp. Royal Oak, MI	9.5	6%	2,100	35 (R) 603 (C)	99	6
37•43	Kimberlite Corp. dba Sonitrol Concord, CA	9.3	2%	5,770	84 (R) 464 (C)	132	8
38•42	Vivitar Security Systems Inc. Torrance, CA	9.3 e	0%	n/a	n/a	n/a	n/a
39•45	Engineered Protection Systems Inc. Grand Rapids, MI	8.6	-2%	5,907	300 (R) 550 (C)	91	4
40•39	Central Control Alarm Corp. Milwaukee	8.5	-11%	15,000	400 (R) 500 (C)	103	3
41•49	DGA Security Systems Inc. New York	8.5	6%	n/a	n/a	135	2
42•—	Checkpoint Ltd. Naples, FL	8.4		26,000	1,408 (R) 400 (C)	132	8
43•—	Fire Alarm Service Corp./E.P. Reid Inc. Lyndhurst, NJ	8.2 v-96		300	120 (C)	75	4

KEY: v=verified vu=verified, unaudited e=estimate R=residential C=commercial n/a=not available
*Made four major acquisitions in 1996, including Security Safe, No. 69 on the 1996 SDM 100.

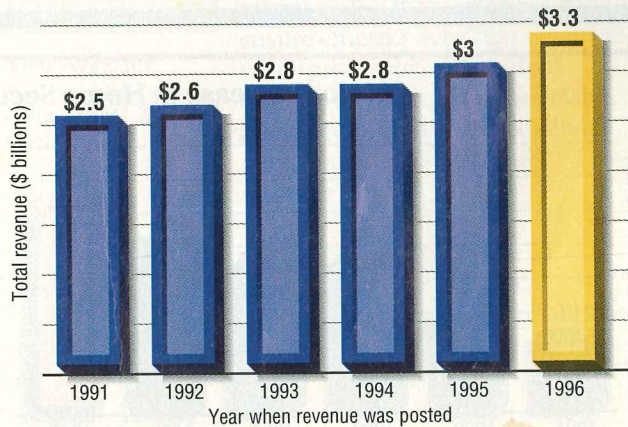
Main Revenue Stream: Burglar Alarms

Sources of sales revenue for SDM 100 firms



*including burg/fire
†average percentage of SDM 100 non-recurring revenue; based on 85 responses.
Source: SDM, 1997

10% Growth for SDM 100 in '96



Source: SDM, 1997

In terms of sales dollars earned by SDM 100 firms, almost two-thirds stemmed from the sale of burglar alarm systems.

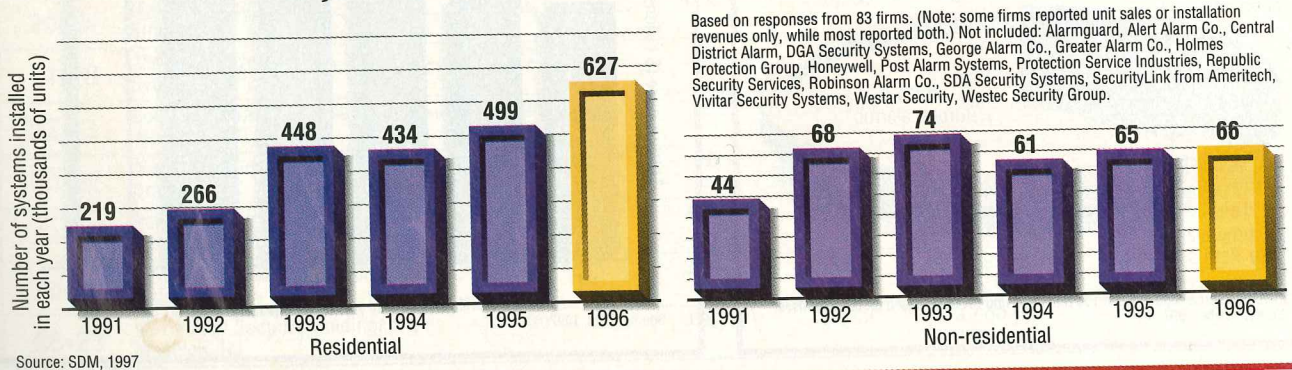
Collectively, SDM 100 revenue grew 10% in 1996, reaching \$3.3 billion. Most of the growth is attributed to the upper fourth of the SDM 100.

The 1997 SDM 100

Rank 1997•1996	Company City/state	Gross Revenue 1996 (\$ millions)	Growth Rate '95 to '96	Subscribers in 1996	1996 Installations	Full-time Employees	Operating Locations
44•48	Post Alarm Systems Inc. Arcadia, CA	8 ^e	0%	14,000 ^e	n/a	n/a	2
45•65	Sentry Detection Inc. East Meadow, NY	8	38%	3,800	5,000 (R) 500 (C)	125	3
46•52	Norman Security Systems Inc. Chicago	8 ^{v-95}	8%	10,338	890 (R) 1,092 (C)	101	2
47•50	Electronic Security Services Co. LP Nashville, TN	7.9 ^{vu-96}	3%	15,497	1,848 (R) 636 (C)	101	12
48•54	Dallas Security Systems Inc./DSS Fire Dallas, TX	7.9 ^{vu-96}	10%	3,600	62 (C)	88	1
49•51	Robinson Alarm Co. Philadelphia	7.8 ^e	4%	13,500 ^e	n/a	n/a	n/a
50•55	Supreme Security Systems Inc. Union, NJ	7.7 ^{v-96}	9%	15,000	661 (R) 178 (C)	92	2
51•58	SDA Security Systems Inc. San Diego	7.3	9%	n/a	n/a	90	2
52•—	Sonitrol of Santa Clara & San Mateo Counties, Santa Clara, CA	7.3		8,500	65 (R) 600 (C)	60	1
53•53	Protective Alarms Inc. Cos Cob, CT	7.2 ^{vu-96}	1%	11,450	680 (R) 400 (C)	73	1
54•59	Sentry Protective Systems Malden, MA	7	8%	24,000	4,950 (R) 1,200 (C)	100	12
55•—	US Alarm System Inc.* Lewisville, TX	6.9		13,223	4,212 (R) 47 (C)	112	12
56•62	General Security† Plainview, NY	6.7	11%	22,140	3,042 (R) 246 (C)	56	3
57•57	Greater Alarm Company Inc., The Irvine, CA	6.4 ^{v-96}	-6%	6,500	n/a	73	2
58•66	Midnight Burglar Alarm Systems Inc.** Flint, MI	6.1	9%	12,223	942 (R) 282 (C)	80	2
59•61	Sonitrol Mid-South Holdings Baltimore	6.1 ^{vu-96}	0%	3,067	19 (R) 361 (C)	81	3

KEY: v=verified vu=verified, unaudited e=estimate R=residential C=commercial n/a=not available
 * plans to open eight branches in 1997 † name change; formerly listed as Alarms Unlimited
 ** purchased in April 1997 by The Whitecliff Group, Minneapolis

Major Increase in Home Security System Installations

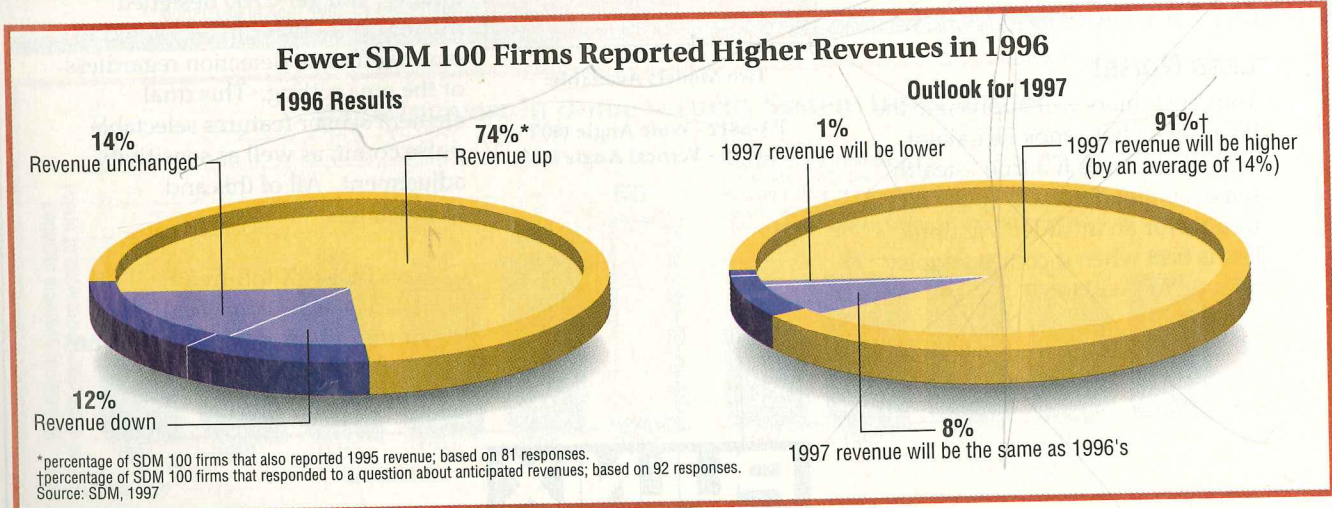


Many SDM 100 firms experienced substantial growth in their installation departments in 1996, as reflected by the 26% increase in total residential installations between 1995 and 1996.

The 1997 SDM 100

Rank 1997•1996	Company City/state	Gross Revenue 1996 (\$ millions)	Growth Rate '95 to '96	Subscribers in 1996	1996 Installations	Full-time Employees	Operating Locations
60•60	Sonitrol Security Systems of Hartford Hartford, CT	6	-3%	12,716	178 (R) 289 (C)	65	2
61•—	Sonitrol of Buffalo Buffalo, NY	5.8 v-96		5,500	90 (R) 440 (C)	75	3
62•70	Superior Alarms McAllen, TX	5.7	10%	11,200	1,900 (R) 275 (C)	53	1
63•67	Custom Security Systems Lacey, WA	5.6 v-95	-1%	5,700	465 (R) 400 (C)	90	n/a
64•77	Sonitrol Pacific Portland, OR	5.4	23%	3,300	19 (R) 477 (C)	61	2
65•83	Mountain Alarm* Ogden, UT	5.3 v-96	29%	5,093	348 (R) 608 (C)	50	2
66•72	Argus Security Systems Inc. McAllen, TX	5.2	5%	7,800	600 (R) 340 (C)	100	3
67•71	Alarmco Inc. Las Vegas	5	1%	15,048	286 (R) 749 (C)	51	n/a
68•74	American Alarm & Communications Inc. Arlington, MA	5 v-95	1%	10,125	894 (R) 482 (C)	53	1
69•—	Engineered Fire Systems Inc. Anchorage, AK	4.8		n/a	80 (C)	48	2
70•76	Mutual Central Alarm Services Inc. New York	4.8 v-95	7%	1,800	5 (R) 300 (C)	44	1
71•78	Security Equipment Inc. Omaha, NE	4.7 v-96	9%	8,348	503 (R) 590 (C)	60	3
72•—	Homesafe Security Systems Hunt Valley, MD	4.7		n/a	3,000 (R) 12 (C)	20	2
73•—	Central One Boca Raton, FL	4.5		8,500	300 (R) 100 (C)	40	1
74•75	George Alarm Co. Inc. Springfield, IL	4.5 e	0%	4,800 e	n/a	n/a	n/a

KEY: v=verified vu=verified, unaudited e=estimate R=residential C=commercial n/a=not available
 * SDM's 1996 Dealer of the Year



Negative growth was an actuality for 12% of firms in 1996. In 1995, 89% of SDM 100 companies said they expected revenues to increase in 1996. But in reality, only 74% saw their revenues go up.

The 1997 SDM 100

Rank 1997•1996	Company City/state	Gross Revenue 1996 (\$ millions)	Growth Rate '95 to '96	Subscribers in 1996	1996 Installations	Full-time Employees	Operating Locations
75•94	Security of Los Angeles Inc. Van Nuys, CA	4.5	29%	4,000	10 (R) 200 (C)	35	5
76•89	Sonitrol of Sacramento Sacramento, CA	4.4 ^{vu-96}	12%	3,200	805 (C)	50	1
77•79	Corporate Protection Services Inc. Toledo, OH	4.3	2%	8,740	500 (R) 400 (C)	44	1
78•88	All-Guard Alarm Systems Inc. Hayward, CA	4.3 ^{vu-96}	11%	6,300	219 (R) 213 (C)	44	1
79•64	Crime Detector Inc. West Columbia, SC	4.3	-26%	3,700	700 (R) 10 (C)	50	2
80•85	Digital Detection Systems Ltd. West Palm Beach, FL	4.3	7%	9,268	4,468 (R) 91 (C)	171	6
81•81	Security Systems Inc. Boca Raton, FL	4.2 ^e	3%	16,550	155 (R) 106 (C)	38	1
82•82	Pelletier Alarm Services Danbury, CT	4.2	2%	8,350	485 (R) 98 (C)	47	3
83•86	Quantum Security Services Inc. Norcross, GA	4.1	2%	4,449	798 (R) 33 (C)	34	4
84•93	Peak Alarm Company Inc. Salt Lake City	3.9	13%	6,225	120 (R) 888 (C)	61	2
85•96	Safeguard Security Services Inc. Phoenix	3.9	20%	5,300	680 (R) 22 (C)	60	2
86•84	Inter-Active Services Inc. Walled Lake, MI	3.9 ^{v-95}	-2%	14,000	1,000 (R) 50 (C)	37	2
87•—	Associated Security Corp. East Hartford, CT	3.8 ^{v-96}		7,000	350 (R) 350 (C)	35	2
88•97	Johns Brothers Security Inc. Norfolk, VA	3.8 ^{vu-96}	15%	6,000	475 (R) 285 (C)	56	4
89•—	World Wide Security Garden City, NY	3.8 ^{vu-95}		5,650	2,550 (R) 50 (C)	70	1
90•—	Guardian International Inc. Hollywood, FL	3.6 ^{v-96}		8,000	500 (R/C)*	80	1
91•—	Sonitrol Security Services Inc. Charlotte, NC	3.6		2,100	20 (R) 300 (C)	36	2
92•92	Wyandotte Alarm Co. Wyandotte, MI	3.5	-1%	5,400	123 (R) 155 (C)	48	1
93•—	Alert Alarm Co. Inc. San Ramon, CA	3.5		n/a	n/a	n/a	2
94•—	Sonitrol of Tallahassee Inc. Tallahassee, FL	3.5		3,006	141 (R) 311 (C)	55	1
95•80	Crime Prevention Inc. Charlotte, NC	3.4	-19% [†]	6,300	2,400 (R) 100 (C)	95	4
96•95	Pacific Alarm Systems Inc. Culver City, CA	3.3 ^{vu-96}	-3%	3,500	60 (R) 175 (C)	43	1
97•—	Richmond Alarm Company Richmond, VA	3.3 ^{vu-96}		6,000	250 (R) 150 (C)	56	2
98•—	Time Warner Security East Syracuse, NY	3.3		13,200	1,900 (R) 100 (C)	42	9
99•—	American Home Security (BHC Trust) Alexandria, VA	3.2 ^{v-95}		2,950	350 (R) 60 (C)	34	2
100•—	Sylvester's Security Alarms Inc. Santa Maria, CA	3		5,369	165 (R) 360 (C)	39	3

KEY: v=verified vu=verified, unaudited e=estimate R=residential C=commercial n/a=not available
 * combined residential and commercial
 † mass-marketing program in 1996 grew accounts, but decreased sales revenue

SDM 100 Up-and-Comers	
Company	1996 Revenue (\$ Millions)
Security Systems of America, Pittsburgh	2.92
Washington Alarm Inc., Seattle	2.85
Sonitrol of Chattanooga, Chattanooga, Tenn.	2.76
Delta Security Alarm Co. Inc., Monroe, La.	2.75
Sonitrol of Pittsburgh, Pittsburgh	2.54
Sonitrol of Tidewater, Virginia Beach, Va.	2.40
Alaska General Alarm, Anchorage, Ala.	2.32
Southern Security Systems, Ft. Lauderdale, Fla.	2.30
Sonitrol of New Orleans, Metairie, La.	2.30
Sonitrol of Dayton, Dayton, Ohio	2.24
Custom Communications Inc., Rochester, Minn.	2.20
HB Alarm Systems Inc., Warwick, R.I.	2.10
Sonitrol of Hawaii Inc., Honolulu	2.00
J. Smith & Sons Inc., Sacramento, Calif.	2.00

These 14 firms, with revenues between \$2 and \$3 million, just missed the cut-off for the 1997 SDM 100. Look for them in future editions.

Re-Ranking by Installation Volume							
Residential Systems			Non-Residential Systems				
Rank by Installation Volume	Company	Systems Installed (1996)	SDM 100 Rank	Rank by Installation Volume	Company	Systems Installed (1996)	SDM 100 Rank
1	ADT Security Services	265,000	1	1	Wells Fargo Alarm Services Inc.	10,000	3
2	Brink's Home Security Inc.	98,500	5	2	Protection One Inc.	5,000	8
3	Protection One Inc.	37,800	8	3	Bay Alarm Co.	4,560	12
4	Network Multi-Family Security	32,000	15	4	Entergy Security Inc.	3,337	16
5	Masada Security Inc.	25,971	20	5	Smith Alarm Systems	3,000	19
6	Slomins Security	22,012	14	6	Guardian Alarm Co.	2,600	17
7	Ranger American Inc.	21,007	24	7	Rollins Protective Services Inc.	2,500	10
8	Guardian Protection Services Inc.	18,969	25	8	American Alarm Systems Inc.	2,500	30
9	Rollins Protective Services Inc.	12,000	10	9	Per Mar Security Services	2,200	32
10	Guardian Alarm Co.	8,300	17	10	Multimedia Security Service Inc.	1,768	13
11	Multimedia Security Service Inc.	7,149	13	11	AFA Protective Systems Inc.	1,500	21
12	Smith Alarm Systems	5,000	19	12	SSD Systems/Kern Security	1,340	29
13	Wells Fargo Alarm Services Inc.	5,000	3	13	Comsec Narragansett Security	1,200	22
14	Sentry Detection Inc.	5,000	45	14	Sentry Protective Systems	1,200	54
15	Sentry Protective Systems	4,950	54	15	Norman Security Systems Inc.	1,092	46
16	Bay Alarm Co.	4,800	12	16	Masada Security Inc.	1,004	20
17	Digital Detection Systems Ltd.	4,468	80	17	Centennial Security Holdings Inc.	1,000	26
18	US Alarm System Inc.	4,212	55	18	Peak Alarm Company Inc.	888	84
19	Centennial Security Holdings Inc.	4,000	26	19	Sonitrol of Sacramento	805	76
20	General Security	3,042	56	20	Alarmco Inc.	749	67
21	Homesafe Security Systems	3,000	72	21	Alert Holdings Group Inc.	700	33
22	World Wide Security	2,550	89	22	Vector Security Inc.	650	18
23	Vector Security Inc.	2,500	18	23	Electronic Security Services Co. LP	636	47
24	Crime Prevention Inc.	2,400	95	24	Mountain Alarm	608	65
25	Entergy Security Inc.	2,229	16	25	Security Corp.	603	36
26	Superior Alarms	1,900	62	26	Sonitrol of Santa Clara & San Mateo	600	52
27	Time Warner Security	1,900	98	27	Security Equipment Inc.	590	71
28	Electronic Security Services Co.	1,848	47	28	Guardian Protection Services Inc.	550	25
29	Checkpoint Ltd.	1,408	42	29	Engineered Protection Systems Inc.	550	39
30	Inter-Active Services Inc.	1,000	86	30	Central Control Alarm Corp.	500	40
31	Midnight Burglar Alarm Systems	942	58	31	Sentry Detection Inc.	500	45
32	Per Mar Security Services	895	32	32	Guardian International Inc.	500	90
33	American Alarm & Comm. Inc.	894	68	33	American Alarm & Communications	482	68
34	Norman Security Systems Inc.	890	46	34	Sonitrol Pacific	477	64
35	Quantum Security Services Inc.	798	83	35	Kimberlite Corp. dba Sonitrol	464	37
36	Doyle Security Systems	700	35	36	Alarm Detection Systems Inc.	441	28
37	Crime Detector Inc.	700	79	37	Sonitrol of Buffalo	440	61
38	Protective Alarms Inc.	680	53	38	Ranger American Inc.	429	24
39	Safeguard Security Services Inc.	680	85	39	Checkpoint Ltd.	400	42
40	Supreme Security Systems Inc.	661	50	40	Protective Alarms Inc.	400	53
41	Comsec Narragansett Security Inc.	600	22	41	Custom Security Systems	400	63
42	Alert Holdings Group Inc.	600	33	42	Corporate Protection Services Inc.	400	77
43	Argus Security Systems Inc.	600	66	43	Sonitrol Mid-South Holdings	361	59
44	Security Equipment Inc.	503	71	44	Sylvester's Security Alarms Inc.	360	100
45	Corporate Protection Services Inc.	500	77	45	Associated Security Corp.	350	87
46	Pelletier Alarm Services	485	82	46	Argus Security Systems Inc.	340	66
47	Johns Brothers Security Inc.	475	88	47	Sonitrol of Tallahassee Inc.	311	94
48	Custom Security Systems	465	63	48	Doyle Security Systems	300	35
49	SSD Systems/Kern Security	400	29	49	Mutual Central Alarm Services Inc.	300	70
50	Central Control Alarm Corp.	400	40	50	Sonitrol Security Services Inc.	300	91
51	Associated Security Corp.	350	87	51	Sonitrol Security of Hartford	289	60
52	American Home Security	350	99	52	Johns Brothers Security Inc.	285	88
53	Mountain Alarm	348	65	53	Midnight Burglar Alarm Systems	282	58
54	AFA Protective Services	300	21	54	Superior Alarms	275	62
55	Engineered Protection Systems	300	39	55	General Security	246	56
56	Central One	300	74	56	All-Guard Alarm Systems Inc.	213	78
57	Alarmco Inc.	286	67	57	Security of Los Angeles Inc.	200	75
58	Response USA Inc.	250	31	58	Slomins Security	198	14
59	Richmond Alarm Company	250	97	59	Supreme Security Systems Inc.	178	50
60	All-Guard Alarm Systems Inc.	219	78	60	Pacific Alarm Systems Inc.	175	96
61	Sonitrol Security of Hartford	178	60	61	Wyandotte Alarm Co.	155	92
62	Alarm Detection Systems Inc.	168	28	62	Richmond Alarm Company	150	97
63	Sylvester's Security Alarms Inc.	165	100	63	Fire Alarm Service Corp./E.P. Reid	120	43
64	Security Systems Inc.	155	81	64	Security Systems Inc.	106	81
65	American Alarm Systems Inc.	150	30	65	Response USA Inc.	100	31
66	Sonitrol of Tallahassee Inc.	141	94	66	Response USA Inc.	100	31
67	Wyandotte Alarm Co.	123	92	67	Time Warner Security	100	98
68	Peak Alarm Company Inc.	120	84	68	Central One	100	74

This table re-ranks SDM 100 companies by both residential (above, left) and non-residential (above, right) installation volume. Firms not included either didn't provide this information, or had fewer than 100 installations.

**Fastest Growing Firms
Based on Total Annual Revenue (1993-1996)**

Firm (SDM 100 Rank)	Avg. 3-year growth rate (%)	Firm (SDM 100 Rank)	Avg. 3-year growth rate (%)
Slovin's Security (14)	63.7	Sentry Detection Inc. (45)	26.5
Protection One Inc. (8)	50.4	Response USA Inc. (31)	24.4
Masada Security Inc. (20)	42.1	Comsec Narragansett Security (22)	24.1
Multimedia Security Service (13)	33.3	Guardian Protection Services (25)	23.2
Alarmguard Inc. (23)	32.1	Brink's Home Security (5)	20.6

These 10 companies have the highest growth rate of total annual gross revenue during a four-year period between 1993 and 1996. Note that this list is limited to firms that have participated in the SDM 100 for the past four years. It also does not include firms whose disproportionately high growth was due primarily to the merging of companies and the formation of a new entity.

Re-Ranking by Recurring Annual Revenue

Rank by Recurring Revenue	Recurring Annual Revenue (1996) (\$ millions)	Company	SDM 100 Rank	Rank by Recurring Revenue	Recurring Annual Revenue (1996) (\$ millions)	Company	SDM 100 Rank
1	708	ADT Security Services	1	42	4.1	Sonitrol of Santa Clara & San Mateo	52
2	132.7	Wells Fargo Alarm Services Inc.	3	43	4.1	Doyle Security Systems	35
3	128	Brink's Home Security Inc.	5	44	4	US Alarm System Inc.	55
4	102	Westar Security	6	45	3.9	Sonitrol Mid-South Holdings	59
5	74.2	Protection One Inc.	8	46	3.7	Sonitrol Pacific	64
6	39.8	Multimedia Security Service Inc.	13	47	3.7	Alarmco Inc.	67
7	38	Rollins Protective Services Inc.	10	48	3.5	Engineered Fire Systems Inc.	69
8	35	Holmes Protection Group Inc.	11	49	3.4	Security Systems Inc.	81
9	29.4	Bay Alarm Co.	12	50	3.4	Mutual Central Alarm Services Inc.	70
10	27.2	Masada Security Inc.	20	51	3.2	Time Warner Security	98
11	27	Guardian Alarm Co.	17	52	3.2	Sonitrol of Buffalo	61
12	26.5	Entergy Security Inc.	16	53	3.1	Safeguard Security Services Inc.	85
13	24	Network Multi-Family Security Corp.	15	54	3.1	Guardian International Inc.	90
14	20	AFA Protective Systems Inc.	21	55	3	Fire Alarm Service Corp./E.P. Reid Inc.	43
15	20	Centennial Security Holdings Inc.	26	56	2.8	Pacific Alarm Systems Inc.	96
16	18	Guardian Protection Services Inc.	25	57	2.7	Custom Security Systems	63
17	18	Smith Alarm Systems	19	58	2.7	Wyandotte Alarm Co.	92
18	16	Slovin's Security	14	59	2.7	Digital Detection Systems Ltd.	80
19	16	Comsec Narragansett Security Inc.	22	60	2.7	Pelletier Alarm Services	82
20	15.6	Alarmguard Inc.	23	61	2.6	Security Corp.	36
21	14	Vector Security Inc.	18	62	2.6	Superior Alarms	62
22	12	Protection Service Industries L.P.	27	63	2.6	American Alarm & Communications Inc.	68
23	10.3	Ranger American Inc.	24	64	2.5	Sonitrol of Sacramento	76
24	9.4	Alarm Detection Systems Inc.	28	65	2.5	World Wide Security	89
25	9.3	Response USA Inc.	31	66	2.3	Inter-Active Services Inc.	86
26	8.5	Alert Holdings Group Inc.	33	67	2.3	Peak Alarm Company Inc.	84
27	7.6	American Alarm Systems Inc.	30	68	2.3	Sylvester's Security Alarms Inc.	100
28	7.2	DGA Security Systems Inc.	41	69	2.2	Security Equipment Inc.	71
29	6.9	Kimberlite Corp. dba Sonitrol	37	70	2.1	Greater Alarm Company Inc., The	57
30	6.2	Supreme Security Systems Inc.	50	71	2.1	Sonitrol Security Services Inc.	91
31	6.1	Checkpoint Ltd.	42	72	1.8	Crime Prevention Inc.	95
32	6	Sentry Protective Systems	54	73	1.8	Sentry Detection Inc.	45
33	5.9	Norman Security Systems Inc.	46	74	1.7	Sonitrol of Tallahassee Inc.	94
34	5.5	General Security	56	75	1.7	Johns Brothers Security Inc.	88
35	5.2	Per Mar Security Services	32	76	1.6	Mountain Alarm	65
36	5	Central Control Alarm Corp.	40	77	1.6	Argus Security Systems Inc.	66
37	4.9	Electronic Security Services Co. LP	47	78	1.4	Associated Security Corp.	87
38	4.6	Midnight Burglar Alarm Systems Inc.	58	79	1.4	Richmond Alarm Company	97
39	4.4	Engineered Protection Systems Inc.	39	80	1.4	American Home Security (BHC Trust)	99
40	4.3	Protective Alarms Inc.	53	81	1.3	Quantum Security Services Inc.	83
41	4.2	Sonitrol Security Systems of Hartford	60	82	1.1	Corporate Protection Services Inc.	77

This table re-ranks SDM 100 companies by recurring annual revenue. Firms were asked to average their fourth-quarter 1996 recurring revenue and then annualize it. Those companies not included either did not provide this information, or didn't have significant recurring revenue to report.

1997 SDM 100 Alphabetical Index

Company	SDM 100 Rank	Company	SDM 100 Rank
ADT Security Services	1	Mutual Central Alarm Services Inc.	70
AFA Protective Systems Inc.	21	Network Multi-Family Security Corp.	15
Alarm Detection Systems Inc.	28	Norman Security Systems Inc.	46
Alarmco Inc.	67	Pacific Alarm Systems Inc.	96
Alarmguard Inc.	23	Peak Alarm Company Inc.	84
Alert Alarm Co. Inc.	93	Pelletier Alarm Services	82
Alert Holdings Group Inc.	33	Per Mar Security Services	32
All-Guard Alarm Systems Inc.	78	Post Alarm Systems Inc.	44
American Alarm & Communications Inc.	68	Protection One Inc.	8
American Alarm Systems Inc.	30	Protection Service Industries L.P.	27
American Home Security (BHC Trust)	99	Protective Alarms Inc.	53
Argus Security Systems Inc.	66	Quantum Security Services Inc.	83
Associated Security Corp.	87	Ranger American Inc.	24
Bay Alarm Co.	12	Republic Security Services Inc.	7
Brink's Home Security Inc.	5	Response USA Inc.	31
Centennial Security Holdings Inc.	26	Richmond Alarm Company	97
Central Control Alarm Corp.	40	Robinson Alarm Co.	49
Central District Alarm Inc.	34	Rollins Protective Services Inc.	10
Central One	73	Safeguard Security Services Inc.	85
Checkpoint Ltd.	42	SDA Security Systems Inc.	51
Comsec Narragansett Security Inc.	22	Security Corp.	36
Corporate Protection Services Inc.	77	Security Equipment Inc.	71
Crime Detector Inc.	79	Security of Los Angeles Inc.	75
Crime Prevention Inc.	95	Security Systems Inc.	81
Custom Security Systems	63	SecurityLink from Ameritech	2
Dallas Security Systems Inc./DSS Fire Inc.	48	Sentry Detection Inc.	45
DGA Security Systems Inc.	41	Sentry Protective Systems	54
Digital Detection Systems Ltd.	80	Slomin's Security	14
Doyle Security Systems	35	Smith Alarm Systems	19
Electronic Security Services Co. LP	47	Sonitrol Mid-South Holdings	59
Engineered Fire Systems Inc.	69	Sonitrol of Buffalo	61
Engineered Protection Systems Inc.	39	Sonitrol of Sacramento	76
Energry Security Inc.	16	Sonitrol of Santa Clara & San Mateo Counties	52
Fire Alarm Service Corp./E.P. Reid Inc.	43	Sonitrol of Tallahassee Inc.	94
General Security	56	Sonitrol Pacific	64
George Alarm Co. Inc.	74	Sonitrol Security Services Inc.	91
Greater Alarm Company Inc., The	57	Sonitrol Security Systems of Hartford Inc.	60
Guardian Alarm Co.	17	SSD Systems/Kern Security Systems	29
Guardian International Inc.	90	Superior Alarms	62
Guardian Protection Services Inc.	25	Supreme Security Systems Inc.	50
Holmes Protection Group Inc.	11	Sylvester's Security Alarms Inc.	100
Homesafe Security Systems	72	Time Warner Security	98
Honeywell Inc., Home & Building Control	4	US Alarm System Inc.	55
Inter-Active Services Inc.	86	Vector Security Inc.	18
Johns Brothers Security Inc.	88	Vivitar Security Systems Inc.	38
Kimberlite Corp. dba Sonitrol	37	Wells Fargo Alarm Services Inc.	3
Masada Security Inc.	20	Westar Security	6
Midnight Burglar Alarm Systems Inc.	58	Westec Security Group	9
Mountain Alarm	65	World Wide Security	89
Multimedia Security Service Inc.	13	Wyandotte Alarm Co.	92

SDM 100 on Disk

More complete SDM 100 information is available about each firm, including the address, contact name, branch office locations, sources of revenue, and more data. The diskette, which sells for \$100, comes in ASCII format, compatible with virtually any PC. To order, contact Diane Gnatek at *SDM*, telephone (847)390-2122, fax (847)390-2690, e-mail sdm@cahners.com.

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